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SAVINGS
The secret of good credit
How to get it
How to use it

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The secret of good skiing

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STOCKBROKERS
Why they want more
TELEVISION SETS
The surprising sales boom

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Here's a funny thing

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Planning your garden by computer

NEWS SUMMARY

GENERAL
Towns cut off as blizzards worsen

Forty and Weymouth were cut off by 8 ft snowdrifts yesterday as blizzards disrupted road, rail and air links throughout the country. The forecast is for worse to come. Many homes were left without electricity, and companies reported mass absenteeism. The AA said all the UK's roads were affected. Page 3; Weather, Back Page.

BUSINESS
Jobless total in U.S. hits 9.5m

DOLLAR weakened slightly in this trading to DM 2.2585 (DM 2.2615), SwFr 1.8265 (SwFr 1.831) and Y221.35 (Y222). Its Bank of England trade-weighted index was 107.3, down from 107.6. Page 19.

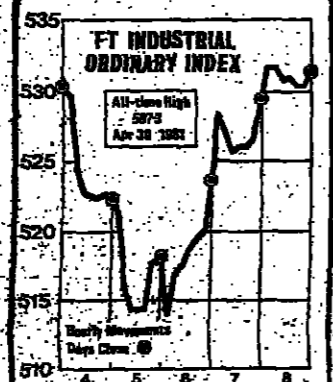
STERLING shed 10 points at \$1.92 and was slightly weaker at DM 4.335 (DM 4.345), FF 163.95 (FF 11.025) and SwFr 3.5075 (SwFr 3.5275). Its trade-weighted index, however, rose to 91.3 (91.7). Page 19.

EQUITIES continued upward on speculative interest in

Technology block
France will co-operate with the U.S. in tightening controls on the export of computers and micro-electronics to the Soviet Union. Back Page.

Kitson claim
South Africa's police commissioner said British engineer Steven Kitson was being interrogated for having sketched and photographed the jail where his father is serving 20 years.

Double fares plan
London bus and tube fares will double on 21st if the GLC accepts proposals for complying with the Law Lords ruling. Page 3.



N-waste crash
A lorry carrying low-level radioactive waste crashed outside the Sellafield West Cumbria plant of British Nuclear Fuels, which said there was no contamination risk. Three Mile Island fear. Back Page.

Police 'hindered'
Greater Manchester chief constable James Anderson said some of his officers were failing to intervene on the streets for fear of harassment allegations.

Belfast killing
IRA gunman shot dead an Ulster Defence Regiment partner on the forecourt of the Belfast filling station which he managed.

Lamplight march
Nurses will carry a Nightingale lamp in a relay march from Land's End to London to draw attention to pay grievances. Page 4.

Tobacco curbs go
Gauloises and Gitanes will face stiffer competition from foreign brands after France agreed with the EEC Commission to end its state distribution monopoly.

Boycott back
Geoff Boycott said his sudden return home from the cricket tour of India was for medical reasons only. "I'm tired and have hardly eaten."

Tackling sexism
Feminists threaten to picket Doncaster rugby league club, which advertised for a Twickenham-style streaker to boost the gate at its Sunday game.

Briefly
Sudan's universities were shut to check student protests. Archbishop of Canterbury arrived in China, the "fulfilment of a dream." Anna Ford, ex-ITN newscaster, gave birth to a daughter.

Slender markets. The FT 30 Share Index put on 1.9 at 531.4. Page 20.

GLITS also improved. The Government Securities Index was 0.27 higher at 62.24. Page 20.

WALL STREET was up 6.09 at 897.57 before the close. Page 15.

GOLD rose \$3.5 to \$400.5 in London. In New York the Comex January close was \$395. Page 19.

U.S. UNEMPLOYMENT edged from 9.4 per cent to 9.5 per cent last month, near the post-war record figure of 9 per cent recorded in the 1974-75 recession. Back Page.

HIGH-WAGE settlements in the public and private sectors in the next few months would make tax cuts even less likely, Chief Treasury Secretary Leon Brittan warned. Page 3.

THE EEC's auditors accused Common Market civil servants of inefficient accounting and lack of co-operation, saying they found apparently unsupervised bank accounts and misuse of funds.

IRON and Steel Trades Confederation said a complete overtime ban at British Steel would start on February 7. Page 4.

DUNLOP is to close its Semtex plant in Brynmawr, south Wales. It has been occupied for three weeks by 450 employees protesting at 60 redundancies announced earlier. Page 3.

FORD was the UK market leader and main importer last year. It supplied the three top-selling models—Cortina, Escort and Fiesta. Back Page.

MASSEY FERGUSON, Canadian farm and industrial equipment company, reported a consolidated net loss of US\$194.8m (US\$225m) for the year to October 31, and may need more support from government and bankers. Page 11.

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISERS	
Treas 9 1/8	1883 + 1
Eschgr 13 1/2	92 + 1
Amstrad	215 + 20
Blundell-Permain	90 + 4
British Home Strs	128 + 7
Brunning	83 + 6
Chemring	245 + 12
Currys	174 + 8
Ford (Marial)	22 + 3 1/2
Glaxo	436 + 14
Grippetrods	142 + 12
Hickson and Welch	220 + 8
ICI	308 + 6
Intal Paint	127 + 5
Laport	140 + 4
Lucas Inds	224 + 8
Manders	158 + 7
Neil and Spencer	35 + 5
Pleasurama	320 + 15
Smith St Aubyn	40 + 5
Turner and Newall	88 + 5
Strata Oil	52 + 9
Sogomana	510 + 35
FALLS	
Bishops Grp A	82 - 4
Brown (John)	351 - 4 1/2
CEC	300 - 6
Guinness Peat	90 - 4
Hoover	90 - 4
Quest Automation	83 - 10
Royal Worcester	165 - 8
Thorn EMI	445 - 13
Grosvetl	405 - 13
Poseidon	158 - 8
Roan Cons	65 - 5
Tara Expl	453 - 30
Western Contnl	36 - 5

BIGGEST U.S. ANTI-TRUST SETTLEMENT

AT&T to sell 66% of total assets

BY PAUL BETTS IN NEW YORK

THE U.S. telephone company American Telephone and Telegraph (AT and T) yesterday settled with the U.S. Justice Department the largest U.S. anti-trust dispute.

The settlement will change the entire U.S. telecommunications industry and will force AT and T to part with two-thirds of its \$134bn (£67.5bn) worth of total assets.

Although the settlement will force AT and T to withdraw from much of its traditional telephone business, the Justice Department has dropped its objections to the company's plans to enter the rapidly growing market for advance data communications.

The landmark settlement followed eight years of bitter controversy. It was expected to be followed later yesterday by the winding-up of a second huge anti-trust case—the Justice Department's 12-year anti-trust suit against International Business Machines (IBM).

The AT & T settlement and the expected settlement in the IBM anti-trust dispute herald not only a new era in the increasingly interlocking telecommunications and data-processing industries but also establish new ground rules for U.S. anti-trust legislation.

For more than a decade the business efficiency at the same time as removing what it regards as burdensome and unnecessary regulations.

Under the terms of yesterday's agreement, the Justice Department is dropping its anti-trust case against AT & T. In return AT & T is to spin off its existing 3m shareholders the 23 telephone companies it owns in the U.S. These account for about half of the company's \$57bn annual revenues and about \$80bn—of AT & T's assets.

At the same time AT & T will retain control of its domestic long-distance and international services. It will also retain full control of Western Electric, its equipment-manufacturing subsidiary, and the Bell Laboratories, generally regarded as the outstanding research facility in telecommunications.

The telephone company and the Justice Department agreed to modify a consent decree of

Stock Exchange considers higher brokers charges

BY DUNCAN CAMPBELL-SMITH

SMALL INVESTORS will face higher charges from their stockbrokers under proposals put forward by the Stock Exchange Council in its latest review of the structure of brokerage commissions.

Increased commissions are proposed across the board to add an estimated 7.3 per cent to the commission income of the industry. But they apply disproportionately to small bargains, which the review accepts are "uneconomic at the prevailing minimum rates."

Investors switching from one large holding to another in the stock market, however, could see half the commission dropped from one side of their transaction.

The review suggests this "gilt concession" would give the proposals a broadly neutral impact on the total bill paid by pension funds, insurance companies and other such institutional clients while producing a severe reduction in the income of the larger gift brokers.

The proposals are accompanied by an unprecedented disclosure of background information on the broking industry. One section is devoted to brokers' remuneration. An elaborate arithmetical estimate concludes with an adjusted average of £26.470 for 1979/80.

Sir Nicholas Godson, chairman of the Stock Exchange, introduced the document yesterday. He said it was the first time any professional organisation had issued such a survey of its members' revenues. It was an important milestone which the users of brokerage services were being consulted prior to a final decision on proposed commission changes.

Consultations with both clients and member firms will be handled by the Liaison Committee of the Stock Exchange. It is hoped to set a deadline around the end of February. The Council then envisages taking a few weeks to reach its decisions, which will afterwards take up to three months to implement.

First reactions in the City yesterday were distinctly muted. With only 250 copies of the review so far printed—many more will shortly be available—details were hard to come by and most brokers were thinking

PROPOSED COMMISSION RATES

Size of bargain	Average %	% rate	increase
Equities:			
Up to £7,000	1.75	16.7	
£7-10,000	0.6	17.0	
£10-120,000	0.5	8.4	
£120-340,000	0.4	6.5	
£340,000-£1m	0.3	8.4	
£1m-£2.5m	0.2	11.2	
£2.5m-£10m	0.125	8.2	
Long Gilts:			
Up to £2,500	0.8	36.8	
£2,500-£18,000	0.25	22.6	
£18,000-£1m	0.125	6.4	
£1m-£4m	0.1	0.5	
Medium Gilts and New Issues:			
Up to £2,500	0.8	40.2	
£2,500-£18,000	0.125	57.2	
£18,000-£1m	0.0625	17.7	
£1m-£4m	0.05	1.5	
Small Bargains:			
Up to £300 at broker's discretion.			
Over £300 £7/£10 minimum for gilts/equities			

Guinness Peat names executive

BY WILLIAM HALL

MR ALASTAIR MORTON, a former finance chief of the British National Oil Corporation has been brought in as chief executive of the troubled Guinness Peat group. He replaces Mr Edmund Dell, the former Labour Cabinet minister, who will remain as the group's non-executive chairman.

The appointment of someone from outside is seen as a major attempt by Mr Dell, with the backing of a majority of his board, to solve the long running dispute with Lord Kissin, the group's founder and former chairman.

In a brief statement last night Guinness Peat said Mr Morton has been authorised to settle Lord Kissin's future relationship with the group.

Lord Kissin welcomed the appointment. He said, "I and some members of the board have been seeking to achieve a change in the executive direction of the group for some time. I am delighted that the board has appointed Mr Morton as chief executive and Mr Dell has stepped down. I have high hopes that this change will restore the credibility of the group."

He said he was "anxious to help Mr Morton to restore confidence in Guinness Peat's future. The two men are expected to hold discussions during the weekend. If successful, it seems likely that Lord Kissin will drop plans for a partial bid."

The dispute between Lord Kissin and Mr Dell, his chosen successor, has centred on the speed with which the group has been disengaging from certain activities and the future direction of the group. Mr Dell inherited the leadership in November 1979 and has had to guide it through a difficult period which has seen a slump in profits and a large dividend cut.

Last October, Mr Dell won the backing of the board and the president for his policies and said he was going to have early discussions with Lord Kissin "with a view to consolidating the unity of the group."

However, the temporary truce did not last and in early December, Lord Kissin told the board he was preparing to make a partial bid for "a significant stake" to demonstrate his support for the group.

For the last month Lord Kissin and his advisers, Hambros Bank, have been talking with Guinness Peat and its advisers, Morgan Grenfell.

At a fairly early stage, Lord Kissin's advisers let it be known that their concern would be largely solved by the appointment of a new chief executive.

Spain agrees to lift 12-year blockade of Gibraltar

BY DAVID TONGE

SPAIN yesterday agreed to lift its 12-year-old blockade of Gibraltar on April 20. It has thus ended, at least for now, its attempts to force the British colony to become part of Spain, but it continues to lay claim to the Rock it ceded to Britain in 1713.

The agreement is part of a package reached in London during talks between Mrs Margaret Thatcher and Sr Calvo Sotelo, the two Prime Ministers. Britain has agreed to hold more talks with the Spaniards on "all differences over Gibraltar, in Lisbon on April 20."

It has given Spanish workers too the right to stay overnight in the colony, as was allowed until General Franco closed the border in 1969.

In addition, Britain has assured the Spaniards of equality with other non-EEC nationals over jobs, wages, social security and trades union rights.

Both Mrs Thatcher and Sr Sotelo described the agreement as opening a new chapter in Anglo-Spanish relations.

Quarrels over Gibraltar have long soured relations, causing King Juan Carlos to cancel his trip to the Prince of Wales's wedding last July and excluding Britain from any major arms contracts with Spain.

Sr Sotelo made it clear after the talks that the basic positions of Spain and Britain still remain wide apart. "The question of Gibraltar is regarded by us as involving the restitution of Spain's full sovereignty and integrity," he said. He insisted, however, that the blockade was only "suspended" and not "cancelled."

He also refused to commit Spain to allowing the 29,000 Gibraltarians the right to self-determination. Britain, however, remains committed to preventing any change in the status of Gibraltar against the wishes of the inhabitants.

In April 1980, Spain and Britain agreed in Lisbon to a statement committing them to open the border and begin talks. Sr Sotelo said his government was agreeing now to abide by the statement because his country was about to join Nato; the Atlantic alliance's Foreign Ministers last month invited Spain to become Nato's 16th member. He also said that Spain planned joining the EEC in 1984.

The firm line he adopted over Spain's continuing claims on Gibraltar reflects the opposition he faces at home from the country's Right-wing forces and, in particular, from a restless army.

Britain, too, has to steer a cautious course following the mounting suspicion of many Gibraltarians that a deal is being done over their heads.

It was announced yesterday that Gibraltarians would take part in its negotiating team. Sir Joshua Hassan, the Chief Minister of the colony, described yesterday's agreements as "a great challenge for all."

In London, Mr Albert Foggo, chairman of the Gibraltar Association in the UK, said that he had feared more concessions by Britain.

Britain announced last month it would give Gibraltar £4m worth of aid to help compensate for the dockyard closure.

Legal action delays golden handshake

BY JOHN MOORE

MR JACK GILL, the former managing director of Associated Communications Corporation, Lord Grade's entertainment conglomerate, will not receive his compensation package, worth £560,000 in cash and considerable property benefits, for a few more days or even months.

After taking legal advice, Lord Grade, chairman of Associated Communications, told shareholders at the extraordinary general meeting yesterday which would have approved the Gill package that "it would seem prudent" to adjourn the meeting to next Friday. He said the outcome of the start of legal proceedings by the Post Office Staff Superannuation Fund, which is seeking to block the payment in the courts next Monday, needs to be known before the meeting went ahead.

Lord Grade, aged 75, smoking a large Havana cigar did not depart from a prepared text throughout the meeting, and would not make further comment after the proceedings because of the legal implications.

His remarks were only punctuated by the sound of whirring cameras and chairs falling over as journalists sought a better view of the meeting in a small room at Associated Communication's headquarters near Marble Arch in London.

The meeting—which would have authorised the payment to Mr Gill of £560,000 in cash and allowed him to purchase a company house with a market value of £275,000 for £165,822—lasted barely five minutes. Lord Mathews, a director of Associated Communications, who speaks for about 9 per cent of the voting shares and who has expressed his dissatisfaction of the payment, sat in silence with other directors. Present were Mr Robert Holmes à Court, the Australian entrepreneur who holds over 50 per cent of the non-voting shares and 3 per cent of the voting shares. He is a director.

Mr Ralph Quirano, chief executive of the Post Office Superannuation Fund, said

Bermuda Premier quits

BY KEITH HUNT IN BERMUDA

BERMUDA'S Premier, Mr David Gibbons, has resigned after four years in office, leaving the way clear for a black successor.

The new leader of the predominantly white United Bermuda Party seems certain to be Mr John Swan, at present Minister of Home Affairs.

Mr Gibbons, 54, announced that he was stepping down to devote more time to his extensive business interests, which have put him among the most wealthy people on the island.

He was happy to be retiring at a time when Bermuda's economy was "in excellent condition."

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OVERSEAS NEWS

Nigeria close to £200m Jaguar deal

BY MARK WEBSTER

NIGERIA is close to signing a deal for the Anglo-French Jaguar fighter aircraft which could be worth over £200m, air industry experts confirmed yesterday.

The contract would be Nigeria's biggest ever aircraft purchase and the makers—British Aerospace and Dassault-Breguet—have had stiff competition for the order from the U.S., the Soviet Union and Dassault-Breguet's own fighter, the Mirage 2000.

Nigeria has been negotiating for some years with various manufacturers for a new generation of fighter aircraft to replace the aged MIG 21s which the air force now uses.

The purchase would be part of an extensive arms buying programme by the Nigerian Government for which Naira 7.3bn (£6bn) has been set aside in the 1981-85 development plan.

The Lagos Government also announced recently that it was to buy the Franco-West German Roland ground to air missile as part of its sweeping modernisation of the country's armed forces.

Neither side to the Jaguar deal would say how many aircraft the Nigerians wished to purchase. But diplomats said they had scaled down earlier plans to buy up to 50 because of economic problems which resulted from falling oil production.

The aircraft cost more than £5.5m each and the manufacturers will also provide all the necessary spare parts and training for Nigerian pilots.

The Jaguar is assembled on two production lines in France and England and entered service with the Royal Air Force in 1973 and the French air force in 1972.

It was designed as a dual-role aircraft for tactical support and as an advanced trainer. It is highly versatile and can carry a wide range of bombs and missiles.

There are 402 of the aircraft in service with the French air force and the Royal Air Force and a total of 523 orders have been received.

The Jaguar International model which is designed for overseas sales, was first flown in 1976 and has been sold to Oman, Ecuador and India.

The Nigerian models would probably be assembled on the British production line although Dassault-Breguet is responsible for manufacturing the front and centre fuselage while British Aerospace makes the rear fuselage, air intakes, wings and tail unit.

French arms for Nicaragua 'slap in face to U.S.'

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. Government is extremely disappointed by the French decision to sell arms to the Sandinista Government in Nicaragua, Mr Casper Weinberger, Defence Secretary, said yesterday.

Mr Weinberger spoke after a meeting in Washington with M Charles Hernu, French Defence Minister, who tried to reassure him that the \$17m arms package, which includes helicopters and patrol boats, was "non-offensive."

M Hernu later stressed that the arms agreement included a prohibition against re-exporting the weapons and was intended to "detach Nicaragua from a single supply source of arms."

He went on to announce that the deal also included French training of Nicaraguan naval officers and pilots.

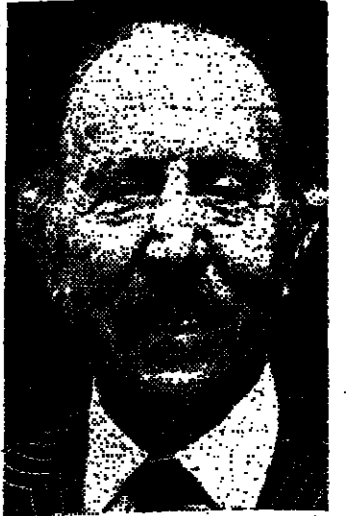
None of M Hernu's reassurances has cut much ice in Washington, where the first reaction by outraged Pentagon officials was that the deal, announced in Paris on Thursday, was "a slap in the face" to the U.S.

After a meeting with Mr Alexander Haig, the U.S. Secretary of State, M Hernu said Mr Haig had expressed concern but not disapproval of the arms deal. There was no deterioration in Franco-American relations, he said.

The Reagan Administration has frequently accused Nicaragua of channelling arms from Cuba to the leftist rebels in El Salvador fighting the U.S.-backed Government of President Jose Napoleon Duarte, and warned it may take unspecified steps to halt the arms flow.

Mr Weinberger said in a television interview that the French sale was "to a country which has been heavily supported by Cuba and the Soviet Union and has taken positions in the area that we find very adverse to our interests."

The spread of Communist and left-wing influence in Central America is one of the Reagan Administration's main foreign policy nightmares.



Hills where Forte has become a fairy tale

By Rupert Cornwell in Caslatto

"CHARLIE was so full of life, and a great sportsman too. He was a forward in the local football team. It was a great side. We used to beat every-one round here."

"Here" is the tiny hamlet of Mortale, perched on a hill-top 70 miles to the south of Rome, and Sig Antonio Forte's eyes lit up at the memory, as he sat in the living-room of the house to which he has returned after half a lifetime spent as an Italian immigrant in Bray, Co. Wicklow.

"Charlie", of course, is his far more famous cousin, that other Italian emigrant lately elevated to the British peerage. If truth be told, the now member of the House of Lords spent very little of his life in Mortale, where he was born in 1908.

At the age of three, he left to join the family already established in Glasgow. A few years later, he came back to Italy to go to boarding school in Rome, returning to Mortale only for the holidays. Then, "at 15 or 16, I think," Antonio relates, he left for good.

But even a memory blurred by age cannot deny a fairy tale, and in a part of Italy bed-thrilled throughout history of its best by emigration, the story of Lord Forte is a recompense for all the others, unsung, who have left those poor hills for work and opportunity elsewhere. Around Mortale, everyone knows him.

As a child, he wanted to be top all the time, he was always a leader," his cousin says.

Sig Angelo Morelli, deputy mayor of Caslatto, the local commune, remembers Lord Forte with evident pride as "astute, big down to earth, and always reachable."

As if to prove the point, the local boy who has become a top hotelier and caterer invited Morelli and the mayor, Sig Tommaso Quintagliano, back to London for a week a couple of years ago, putting them up in the Grosvenor House, and having them back to his Belgravia home for dinner.

In return, they gave him a parchment scroll of recognition from the commune, and plans are afoot to name Mortale's one square after him.

Today, Caslatto has a population of only 750, spread between half a dozen hamlets, scattered across the lower slopes of Monte la Silara. Its name traces back to Pomponius Atticus, friend of Cicero, and a local lord in the age of Republican Rome.

Beneath lies the valley of Comino, stretching away to the snowcapped Abruzzi mountains. The land is as poor as it is beautiful, offering at best modest agriculture, a little cattle and sheep farming. Dreams of turning the area into an upland tourist centre have never materialised.

Mortale is one of the smallest communities—a count the other night could not determine whether the permanent residents were 49 or 50. In summer, the number briefly doubles, as the emigrants come home for their holidays. Almost everyone there is called Forte, and unofficially the place has long been known as Mortale, in Italian, Mortale means "mortal" or "deadly," and nobody likes the name.

"We're trying to have it changed officially," says Sig Morelli. But in Italy, these things take time.

Everyone, too, seems either a former emigrant, or likely to become one, with the British Isles one of the biggest traditional destinations. At 74, Sig Morelli himself is a case in point, his career in some ways a miniature version of that of Lord Forte, one year his junior.

He has spent 53 years of his life in Ireland. "I arrived for the first time in Dublin in 1916, 10 days before the Easter Rebellion, and found myself right in the middle of it."

When Lord Forte goes back to the place of his birth, it is only for an hour or two. But in the best traditions of an Italian emigrant, he is having his childhood home done up. Today, painted white with smart varnished wooden shutters it is almost ready, waiting for the improbable permanent return to Mortale of the peer of a faraway realm.

GE confirms ban on components

By Our New York Staff

GENERAL ELECTRIC confirmed yesterday it had received official notification from the U.S. Commerce Department that it will not be allowed to supply components for the Soviet natural gas pipeline deal.

This is because of the sanctions imposed against the Russians by President Reagan in the wake of the Polish military crackdown.

Earlier, GE had said it believed it would be affected, but had received no formal notification.

The Commerce Department has reclassified the components shipped by GE for assembly by its European partners to require a validated export licence, and these licences are no longer being issued because of the sanctions.

Under a deal worth \$175m, GE supplies parts for compressor turbines made by John Brown of the UK, AEG of West Germany, and Nuovo Pignone of Italy, which are to be shipped to the Soviet Union for installation on the pipeline.

James Burton, adds from Rome: ENI, the Italian state energy concern, yesterday denied a report that Nuovo Pignone, its engineering subsidiary, would be able to supply components needed for the Soviet gas pipeline.

Warsaw claims Poland now strike free

BY OUR FOREIGN STAFF

THE POLISH AUTHORITIES are claiming that the country is free of strikes for the first time since July 1980. Mr Boguslaw Strachura, a deputy Minister of the Interior, told a parliamentary committee that the last strike—at the Riaz mine in Katowice province—ended on December 28. Altogether since the imposition of martial law there had been 199 strikes, he said.

Mr Strachura, quoted by the official news agency PAP, gave the most detailed official account since military rule was imposed of the crackdown against Solidarity. He said that although nine strikers had died in the early days of martial law.

The Deputy Minister added that 49 miners and 41 militiamen had been injured in the Wujek colliery when eight miners were killed in a clash with militia, and that one man had died in Gdansk when militia and troops broke up a demonstration before Christmas. Other independent reports say that four militiamen were also killed at the Wujek mine and that at least two people died in the Gdansk incident.

Mr Strachura admitted that force had been used at the Ursus tractor factory near Warsaw and at three steel works. The worst strike areas, he said, were the regions of Katowice, Gdansk, Szczecin, Warsaw, Wroclaw, Lublin and Gorzow.

Altogether 5,906 activists had been detained but already 839 had been released, he said, implying that as the situation became more stable, martial law would be gradually relaxed.

Mr Tadeusz Skora, a deputy Justice Minister told the parliamentary committee, that detainees were being treated well, and allowed food parcels, mail and visits from families.

Church officials, however, have said that conditions vary widely among the 49 camps reported to have been set up. The 300 internees at Bialoleka prison in Warsaw, have been protesting against conditions. The authorities say that martial law courts have been ordered to deal swiftly with as many as 33,000 cases of people charged under the military regulations.

In the first public admission that the Communist Party is undergoing a purge, the party newspaper Trybuna Ludu has called for a cleansing of "unworthy, unreliable and passive members."

The general picture suggests a lull in the immediate crisis. Solidarity, bereft of a central command, is quietly regrouping with calls for passive resistance but is advising against active confrontation.

The authorities are emphasising those features which point to a return to normality: they say that on January 10 the telephone system will, reopen for use by ordinary citizens; internal flights were due to resume within Poland today; limits against movement outside the city of Warsaw are to be extended to 19 miles.

Officials are still hoping for a return to "dialogue," but Solidarity continues to refuse to participate in talks without the release of the union's presidium, and the Church is refusing to join in unless the Solidarity leadership is allowed to negotiate as well. Politically, therefore, there is a stalemate.

The Primate, Archbishop Jozef Glemp, has protested at the military authorities' insistence that Poles who work for central or local government cannot also remain members of Solidarity.

Paris coalition preserves unity despite differences

BY DAVID HOUSEGO IN PARIS

THE FRENCH Socialist and Communist parties made clear yesterday that they would not allow their sharp differences over Poland to lead to any immediate breach in the coalition Government in which they are partners.

After the first meeting of the party leaders since they agreed to form a joint Government six

Paris coalition preserves unity despite differences

months ago, a brief communiqué said that both sides accepted they had differing viewpoints over Poland.

The communiqué emphasised the positive points of their co-operation in government and their willingness to work together in support of agreed policies.

Poles barred from state debt meeting

By Peter Montagnon, Euromarkets Correspondent

POLAND is now expected to be excluded from a meeting of its leading Western government creditors in Paris next week, thus pushing its debt problems into even deeper stalemate.

The meeting, which was scheduled before the imposition of martial law on December 14, has been in doubt all this week. By yesterday the Western governments involved had still not confirmed Poland's invitation to attend and the meeting was expected to go ahead without Polish participation.

Its object was to have been to discuss rescheduling of some \$2.5bn to \$3bn (£1.3bn to £1.56bn) of debt falling due to Western governments this year, but it is understood that Western governments feel there is little point in taking up this issue in the absence of an agreement between Poland and commercial banks covering debts falling due in 1981.

Moreover there is little political will among Western governments to proceed with 1982 rescheduling so long as the repressive policies of the military government continue.

In a statement yesterday National Westminster Bank denied reports that it had decided to make less provisions against a substantial part of its Polish loans. No decision has yet been taken on provisions for any loans to any borrowers which would be included in its accounts for 1981, the bank said.

Baltic ports halted by blizzards

By Leslie Collett in Berlin

AS IF POLAND's problems were not serious enough, the nation has been paralysed by severe blizzards in the north, flooding in its central regions, and gales in the south.

Polish radio reported that work in the Baltic Sea ports of Szczecin, Swinoujscie, Gdansk and Gdynia was halted by snow storms and frozen equipment. Some 40 ships are waiting to be unloaded at Szczecin.

The stoppages are the result also of a reported go-slow by Polish dockers, who were among the first workers to strike in August, 1980. Supplies will not be reaching Polish factories, already crippled by a lack of raw materials, spare parts and a disgruntled workforce.

The suspension of operations at the major coal port of Swinoujscie came as Polish radio said coal production had reached its highest level in months, although 400,000 tonnes were said to have been lost due to strikes in Silesian mines when martial law was imposed.

Coal transport from Silesia is also reported to have been affected by frozen switching equipment on rail lines. All rail and road transport has been sharply restricted. Fallen telephone lines, however, have had little impact as a restricted telephone service is not scheduled to be restored until tomorrow.

Power lines are also down, and many villages have been cut off from Gdansk to the Soviet border. Flooding has hit the Elblag region of northern Poland where 35,000 acres are under water, and the rising Bug river has submerged 60,000 acres.

EEC steelmakers challenge Brussels

BY GILES MERRITT IN BRUSSELS

TWO EEC steelmakers — Kloeckner-Werke of West Germany and Alphassteel, the British independent — have filed actions against the Brussels Commission in the European Court of Justice in Luxembourg.

If their complaints are upheld the operation of the present production and prices regime in the steel industry by the Commission could be severely hindered.

All five suits concern the production quotas that have in past months been imposed on the two steelmakers as part of the Davignon Plan, named after EEC Industry Commissioner Etienne Davignon, for nursing the steel industry back to health by limiting output in order to bolster prices.

One of the three suits by Kloeckner-Werke also challenges the \$2m fine imposed on the West German company last October by the Commission as a

penalty for exceeding its first quarter 1981 production quota by 28,000 tonnes.

This action represents the most serious potential threat to the steel rescue plan, for in

Fishermen from Norway and the EEC countries were able to resume fishing in one another's waters from yesterday, after France withdrew its veto of the 1982 fisheries agreement between Norway and the Community, Fay Gjeater, writes from Oslo.

order to obtain an annulment of the fine Kloeckner is asking the Luxembourg court to declare illegal the decision in 1980 which established the system of quotas.

The other four suits also risk introducing legal uncertainties which could make the Davignon Plan inoperable, should they be upheld.

Pipeline blasts a mystery as oil pumping resumes

BY OUR FOREIGN STAFF

PUMPING of Iraqi oil to the Mediterranean terminal at Tripoli, Lebanon, was resumed yesterday following the repair of a section of pipeline destroyed by an explosion last Sunday.

As yet, however, no accusations or claims of responsibility have been made for the rupture of that facility. As much mystery surrounds the blowing up of the even more important pipeline taking Iraq's oil fields to the Turkish terminal of Yumurtalik.

There is speculation that the damage to the pipeline to Yumurtalik, just inside Turkey, was the work of Kurdish dissidents. In Iraq itself irregulars of the Kurdish Democratic Party led by Mahsud Barzani

are in armed conflict with rivals sponsored by the Baathist regime in Baghdad under the command of Jalal Talabani.

The explosion on the spur-line to Tripoli from the Kirkuk-Banias pipeline may be the work of local feudal or gangster elements who want a share of the 35 cents per barrel transit fee, according to experienced observers of the Lebanese scene.

The pipeline to Turkey had been transporting some 600,000 barrels a day (b/d), the greater part of Iraq's shipments.

Iusan Hijazi adds from Beirut: Sporadic fighting between rival factions has continued in mainly Moslem West Beirut despite a ceasefire arranged on Thursday night.

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Iusan Hijazi adds from Beirut: Sporadic fighting between rival factions has continued in mainly Moslem West Beirut despite a ceasefire arranged on Thursday night.

French employers friendlier to Mitterrand

BY DAVID WHITE IN PARIS

THE RECENT CHANGE in the leadership of the French National Employers' Council has brought the first signs of a thaw in the organisation's relations with the eight-month-old Socialist Government.

President Francois Mitterrand yesterday held talks with a delegation headed by M Yvon Gattaz, who was confirmed last month as the council's new chairman, succeeding the 69-year-old M Francois Ceyrac.

A businessman's meeting for the day before, at which M Gattaz appeared with M Jacques Delors, the Finance Minister, drew widespread comment for its relatively conciliatory atmosphere.

M Gattaz said he was "agreedly surprised" by statements made by M Delors, who confirmed his own high rating among French businessmen despite their generally gloomy view of the business climate.

The Minister sought to reassure industrialists by speaking of the need for a prudent fiscal policy and for greater flexibility in the use of industrial equipment, in exchange for the reduction in the working week to 39 hours.

He also proposed the drawing-up of "competitiveness and development contracts" within individual companies, which would link a set schedule of wage increases with improvements in conditions.

The Paris Bourse reacted favourably to M Delors' statements yesterday, registering a further 0.8 per cent gain after a strong rise on Thursday.

M Gattaz emphasised that business leaders were still extremely worried on several fronts—including a low level of company resources, prospects of higher social and other charges, uncertainty about the private sector's role after nationalisation, and the Government's

plans for extending workers' rights.

But he said the employers' body would not indulge in "systematic criticism" and denied that the employer class was subject to "a visceral hostility to socialism."

A survey commissioned by the economic magazine L'Expansion showed that 91 per cent of top businessmen who answered the questionnaire were either "fairly" or "very" pessimistic about the current situation. The poll, carried out a month ago, found only 4 per cent who were planning to increase their workforces this year.

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BUILDING SOCIETY RATES

	Deposit rate	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	9.50	9.75	11.00	11.76 6 yrs. Sixty plus, 10.75 1 year high option, 10.25-11.75 1-5 years open bondshare
Aid to Thrift	10.50	10.75	—	—
Alliance	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 £500 min., 3 mths' notice
Anglia	9.50	9.75	11.00	12.00 6 yrs., 10.75 1 mth. not int. loss
Bridgwater	9.50	9.75	11.25	11.75 5 yrs., 10.85 2 1/2 yrs.
Bristol Economic	9.75	10.50	11.00	9.75 3 months' notice and 10.75 on balance of £10,000 and over. Escalator shs. 10.25-11.75 (1-5 y)
Britannia	9.50	9.75	11.00	11.25 4 yrs., 11.00 2 months' notice
Burnley	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Cardiff	9.50	10.50	11.50	—
Catholic	9.50	10.00	11.00	11.25 Extra share 3 months' notice
Chelsea	9.50	9.75	11.00	11.75 5 yrs., 11.15 1 yr., 11.00 3 mths.
Cheltenham and Gloucester	—	10.75	—	Gold Account. Savings of £1,000 or more (9.75 otherwise)
Citizens Regency	—	10.00	11.25	12.00 5 yrs., 11.05 3 mths. notice a/c, 11.30 6 mths. notice a/c
City of London (The)	9.75	10.00	11.25	11.25 Capital City shs. 4 mths' notice
Coventry Economic	9.50	9.75	11.25	11.50 4 yrs., 11.25 3 yrs., 11.00 3 mths.
Derbyshire	9.50	9.75	11.00	10.25-10.55 3 months' notice
Ealing and Acton	9.50	10.25	—	10.90 2 years, £2,000 minimum
Gateway	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Gateway	—	10.75	—	Plus a/c £500 min. Int. 1-yearly
Greenwich	—	10.00	11.25	12.00 5 yrs., 11.25 3 months' notice
Guardian	9.50	10.00	11.00	11.75 6 mth., 11.25 3 mth., £1,000 min.
Halifax	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Heart of England	9.50	9.75	11.00	3 mths' notice 10.75, 5 yrs. 11.75
Hearts of Oak and Enfield	9.50	10.00	11.50	11.75 5 yrs., 11.25 6 mths' not., 11.00 4 mths' not.
Hendon	10.00	10.50	—	11.50 6 mths., 11.25 3 mths.
Hyddersfield and Bradford	9.50	9.75	11.00	11.25 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 10.25 2 yrs., 11.05 Golden key 28 days' penalty interest
Lambeth	9.50	10.00	11.75	12.00 5 yrs., 11.75 6 months' notice
Leamington Spa	9.50	9.85	13.20	11.35 1 year
Leeds and Holbeck	9.50	9.75	11.50	11.75 5 yrs., 10.75 1 mth. int. penalty
Leeds Permanent	9.50	9.75	11.00	11.75 3 yrs., E.L. a/c £500 min. 10.75
Leicester	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 mths.
Liverpool	9.50	9.75	11.05	11.75 5 yrs., 10.80 1 mth. int. penalty
London Grosvenor	9.50	10.25	12.00	10.75 6 months' notice
Mornington	10.20	11.00	—	—
National Counties	9.75	10.05	11.05	10.75 35 days' notice min. dep. £500, 6 mths., 11.15 min. dep. £500
Nationwide	9.50	9.75	11.00	11.75 5 yrs., £500 min. 90 days' notice. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' notice
Newcastle	9.50	9.75	11.00	11.75 4 yrs., 10.75 2 mths. notice or on demand 28 days' int. penalty
New Cross	10.50	10.75	—	10.75-11.50 on share accs., depending on min. balance over 6 months
Northern Rock	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs.
Norwich	9.50	9.75	11.25	10.75 3 yrs., 10.50 2 yrs.
Paddington	9.25	10.25	11.75	Less 1 month int. on sums wdn.
Peckham Mutual	9.75	10.75	—	11.25 2 y., 11.75 3 y., 12.25 4 y., 11.0 Bns.
Portman	9.50	9.75	11.25	11.75 5 yrs., 11.00 6 months' notice, 10.75 3 months' notice
Portsmouth	9.85	10.05	11.55	12.10 (5 yrs.), to 11.50 (6 mths.)
Property Owners	9.75	10.35	11.75	11.75 4 yrs., 11.75 6 mth., 11.05 3 mth.
Provincial	9.50	9.75	11.00	12.00 4 yrs., 11.25 3 yrs., 10.75 2 mths.
Skipiton	9.50	9.75	11.00	10.85-11.00 28 days' interest penalty.
Sussex County	9.75	10.00	12.25	11.00 instant withdrawal option.
Sussex Mutual	9.75	10.25	11.50	10.50-11.75 all with special options
Town and Country	9.50	9.75	11.00	11.75 5 yrs., 11.25 4 yrs., 10.75 3 yrs., 11.00 imm. wtd. 28 days' int. loss
Wessex	9.75	10.75	—	—
Woolwich	9.50	9.75	11.00	11.75 3 yrs. £500 min. 90 days' not. on amt. wdn., 10.75 £500 3 mth. not.
Yorkshire	9.25	9.75	11.00	10.75 1 month's notice deposit

* Rates normally variable in line with changes in ordinary share rates. All these rates are after basic rate tax liability, has been settled on behalf of the investor.



Sig Sarcinelli

Top Italian banker promoted

BY RUPERT CORNWELL IN ROME

DR MARIO SARCINELLI has been named as Director General of the Italian Treasury Ministry replacing Dr Felice Ruggero, who has been forced to step down after his name appeared in the membership lists of the P-2 Freemasons lodge last summer.

The promotion of Dr Sarcinelli from his present post of Deputy Director General of the Bank of Italy was announced after a Cabinet meeting yesterday. It effectively closes the last chapter in the 1979 "Bank of Italy Affair" in which he was a main target of a trumped-up attack on the central bank.

Dr Sarcinelli was imprisoned on the orders of investigating magistrates for two weeks before being released and subsequently cleared of wrongdoing.

The appointment has coincided with new statistics showing a worsening of Italy's trade performance after the marked improvement of October. November's deficit almost tripled to L1,158bn (£500m) from the previous month's L410bn. The accumulated deficit for the first 11 months of 1981 reached L16,543bn (£7.1bn), slightly lower than the L17,368bn shortfall in the same period of 1980.

At the same time, unemployment continued to climb. At the end of October, according to figures issued yesterday, the jobless total reached 2.1m, or 9.1 per cent of the workforce. Industry's difficulties since then have, if anything, increased, and the current total almost certainly is higher still, carrying Italy closer still to double-digit unemployment.

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UK NEWS

Dunlop to close carpet tile plant at Ebbw Vale

By Robin... Dunlop has announced the closure of its carpet tile factory at Ebbw Vale...

The statements added: The recent industrial action has irretrievably damaged the division...

Mr Gareth Morgan, the local mayor, said the closure of the plant, which opened in Brynmawr in the mid-1950s, was "a sad and bitter blow" for the community.

Mr George Wright, Wales secretary of the Transport and General Workers' Union, the union involved, said he was asking Dunlop to withdraw the closure notice.

The closure announcement also caused some surprise among Dunlop's competitors in the DIY floor coverings market...

Mr David Merrish, marketing director of Dunlop's main rival, James Halcstead, between them they account for some three-quarters of the vinyl and carpet tile DIY trade...

Minister hits out at unilateral 'illusions'

By Peter... Speaking at a conference in Oxford, Mr Hurd put forward what is likely to be the main thrust of the Government's counter-attack against the unilateralists.

Mr Hurd said that in view of the Polish situation and the talks starting soon in Geneva between the U.S. and Russia, the peace movements would have to reassess their tactics.

"Events in Poland have knocked sideways the analysis on which most of them have been operating. Much of their criticism has been one-sided and directed at the Americans alone."

"It is not credible any longer to speak, as they often do, of two sets of politicians in East and West, equally blind and culpable, suppressing the desire of their people for peace and disarmament."

Tories look to Hillhead toffs to keep their only Glasgow seat

Mark Meredith on what the by-election in the city's affluent area may bring

HILLHEAD is the posh bit of Glasgow north of the Clyde, where toffs live in Watty closes and the ladies of Keilvinside are reputed to consider sex as something used to carry coal.

The Watty closes are exclusive but elderly apartment buildings in the Hyndland district, where the tiles in the hallway go all the way to the top of the building and don't just stop at the first floor.

The site of Britain's next by-election has some of the city's finer residential architecture, one of its top fee-paying schools and a lot of the city's owner-occupiers and professional people.

Despite the fact that this constituency has returned a Conservative since 1922, the area "does not shout Tory."

There is a heavy portion of industrial structures to offset the more refined parts. And there is every indication that it days as Glasgow's only Conservative seat in a sea of Labour voters are about to come under strain.

The character of the area is changing and the proposed boundary alterations for the next general election make the future for Hillhead much less certain.

The death last week of Sir Thomas Galbraith, who held the seat since 1948, is likely to plunge this part of Glasgow into political turmoil, the likes of which it has not seen for decades.

Along with its fine buildings, including the newly restored Grosvenor Hotel overlooking the botanical garden, the constituency has an industrial side which stretches along the Clyde docks, many of them moribund, and includes industrial activity around the Albion motor works, the Yarrow yard and a string of industrial shops and warehouses filling up the gaps left by dying shipyards.

It has a large belt of worker housing in Scotstoun which one analyst said had been traditionally the source of Orange Lodge support for the Conservatives.

But in district elections in 1980, this area returned a Labour councillor, whereas the other three councillors from Hillhead on Glasgow City Council are Conservatives. The

councillors on Strathclyde Regional Council from Hillhead are both Conservatives. They come up for re-election this year.

Local politicians explain the existence of this Conservative enclave in several ways.

The nature of the area's housing has tended to favour people who might vote Conservative, they say. Hillhead has one of the largest proportions of privately-owned housing in Glasgow, a city with a vast amount of public housing.

A large population of elderly owner-occupiers might also be counted on to vote Conservative because the area appeals to professional people.

Hillhead is a kind of dormitory for Glasgow University, just outside its boundary and the constituency includes the fee-paying Glasgow Academy as well as Jordanhill teaching college.

The presence of the university may account for the increasing numbers of boutiques and small

restaurants which have added flavour to parts of Hillhead.

High in the mind of the prospective candidate for this by-election will be the worry whether he or she can hold on to the seat after boundary changes.

The effect of these changes is to take some of the industrial belt along the Clyde out of Hillhead but add some areas of Kelvingrove to the east. This will help the Conservatives by removing one district which voted Labour, but the votes of the new areas are much less certain.

Phillips takes first step to develop £1.5bn oil field

BY RAY DAFTER, ENERGY EDITOR

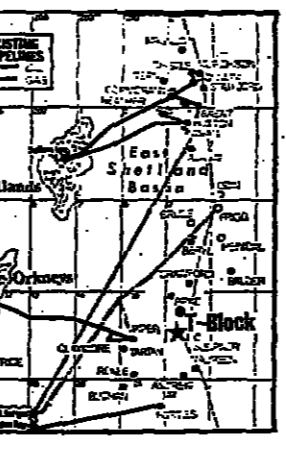
A NORTH SEA exploration group, led by Phillips Petroleum, has taken the first step in a field development plan costing about £1.5bn.

The group is calling for tenders for the preliminary design of production facilities for its complex of fields in the so-called T block, 150 miles north-east of Aberdeen.

Phillips is also conducting a new seismic survey of the block in a further bid to assess its oil-producing potential. So far 12 wells have been drilled on the licence concession—block 16/17. Nine of these wells located oil in reservoirs designated Tiffany, Teresa, Toni, Thelma and Tina.

It is understood that if Phillips decides to proceed with development—and the group is still some way from making such a commitment—it will first exploit the Toni and Tiffany reservoirs in the northern portion of the block.

Phillips is calling for the design of two fixed steel platforms, drilling equipment, flow lines and subsea well units. The work is expected to begin in February and to take about nine months.



The group, which includes four other partners, is also planning to await the outcome of the Government's reappraisal of the North Sea tax structure before committing itself to a development plan.

Phillips has yet to publish recoverable reserve estimates for T block. According to Wood, Mackenzie, the stockbrokers, however, the block could contain between 200m and 400m barrels of recoverable oil and 500-800bn cubic feet of gas.

As such the T block complex of fields ranks among the medium-sized discoveries by North Sea standards. The geological complexity of the reservoirs and their distance from shore will make it one of the more expensive projects. Wood, Mackenzie estimates capital costs will be in the range of \$3bn to \$4bn.

According to industry reports Phillips and its partners may use British Petroleum's pipeline between the Forbes Field and Cruden Bay, Scotland, to transport their T block oil.

It is likely, however, that natural gas will be transported by a completely new line, possibly one built in co-operation with other nearby producers.

The T block was to have been the main junction point of the Government's proposed £2.7bn gas-gathering complex which was abandoned last year because of financing problems.

Partners in T block are: Phillips (35 per cent), Petrofina (30 per cent), Agip (17.9 per cent), Century Power and Light (8.6 per cent) and London and Scottish Marine Oil (8.5 per cent).

High pay deals 'may prevent tax cuts'

By David Marsh

MR LEON BRITTON, Chief Secretary to the Treasury, yesterday warned workers to go easy on pay claims for the next few months—or risk a harsh spring Budget.

In the first major speech this year from a Treasury minister, Mr Britton showed that the Government is linking the level of pay awards to taxation.

His statement, at Kendal Tow Hall, Westmorland, underlines the change in Treasury rhetoric compared with the Government's early days when ministers declared that pay would be set purely by the monetary policy.

High wage settlements would make the chance of tax cuts "even more remote," Mr Britton said.

His speech comes at a time when the 4 per cent public sector pay target looks increasingly under threat and when Ford workers look likely to settle well above the level the Government would like.

Mr Britton appeared to be moving closer to the idea of an informal government-union understanding on the link between pay awards and fiscal policy, proposed by Social Democratic economists.

He stressed that the cost of high settlements was ultimately met not by governments but by people—in or out of work.

"At the same time the actual and likely levels of pay settlements are bound to be an important element in the Government's assessment of its room for manoeuvre at the time of the Budget," he said.

"If pay settlements, in either the public or the private sector, were again to be at levels which cannot be afforded, the prospects for growth and employment would be worsened."

In the public sector, high pay awards meant more public spending. This would lead to higher interest rates, taxes or charges, or lower investment, which would all depress job prospects.

The same was true in the private sector. High settlements raised interest rates or increased public spending on social security benefits.

Meanwhile, during the weekend, Treasury ministers and senior officials are gathering to thrash out options for the Budget.

Job equality plan studied by Hackney

By Lisa Wood

PLANS TO GIVE ethnic minorities greater representation among council employees are being considered by Hackney in East London.

The Labour-controlled council's equal opportunities panel has put forward proposals including a target figure of 10 per cent ethnic minority representation in senior managerial posts by the end of 1985.

A monitoring exercise conducted last June revealed that the council had only 2.4 per cent ethnic minority employees in senior posts in a borough where about 30 per cent of residents are of minority ethnic origin.

Black council workers tend to be concentrated in manual occupations and home help services.

Mr Brian Blacker, personnel director of the council, said the proposals had been examined at a meeting of the administration committee which had adjourned the matter for consultation among a wider range of members.

Mr Blacker said: "We are seeking to ensure that there is a broad mix of people across the whole workforce, including ethnic minorities, women and the disabled. We want the council's seven directors to look at ethnic representation and produce a report by the end of March."

Qualifications, he said, would not be lowered to attract more black or Asian employees.

London travel fares 'will double because of law lords' ruling'

BY LYNTON McLAINE, TRANSPORT CORRESPONDENT

LONDON Transport fares will exactly double on March 21, bus and Tube traffic will drop by a quarter by 1984 and entire bus routes, bus garages, Tube stations and late-night bus services must go if official recommendations are accepted by the Greater London Council at its crucial meeting on the future of London Transport on Tuesday.

London Transport said these changes, now inevitable as a result of a recent House of Lords legal ruling, "will cause real social distress."

The measures are recommended to help LT wipe out a combined deficit of £512m for 1981 and 1982. Urgent talks with the Government are also recommended with a view to getting the law on transport subsidies changed.

Mr Ken Livingstone, GLC leader, said last night: "We are horrified at the full implications. I wonder if the Government really appreciates the serious and lasting damage facing London and its travellers."

Free travel for old people would have to be eliminated under the GLC's interpretation of the Lords' decision. "For old people this is one of the cruelest results of this harsh judgment."

The recommendations have been made by three top GLC officials in response to the revised 1982 outline budget from London Transport.

Slight rise in housing starts

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

A START was made on 13,800 new homes in Great Britain during November 1981, a marginal improvement on the previous month but 2,400 higher than in the same month a year earlier.

Provisional figures from the Department of the Environment indicate that, during the three months to the end of November, the number of homes on which work began in the private and public sectors combined showed a 3 per cent increase in the previous quarter. At the same time, the output achieved was 18 per cent up on the same period in 1980.

Yet although the number of starts indicates some continuous improvement in building activity—all accounted for by improvement in the private sector—the Department says that the number of completions has continued to fall, reflecting earlier low levels of building starts.

Total housing completions in November reached 16,500 against 17,400 in October and 18,800 in the same month of 1980. For the three-month period ending in November, total completions fell by 3 per cent from the previous quarter and by 16 per cent when compared with the same period a year before.

F.T.-ACTUARIES SHARE INDICES QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at December 31, 1981, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Market capitalisation (Dec 31, 1981), % of All-Share Index, Market capitalisation (Sept 30, 1981), % of All-Share Index, Market capitalisation (June 30, 1981), % of All-Share Index. Rows include CAPITAL GOODS GROUP, BUILDING MATERIALS, CONTRACTING, ELECTRICALS, ENGINEERING CONTRACTORS, MECHANICAL ENGINEERING, METALS AND METAL FORMING, MOTORS, OTHER INDUSTRIAL MATERIALS, CONSUMER GROUP, BREWERS AND DISTILLERS, FOOD MANUFACTURING, FOOD RETAILING, HEALTH & HOUSEHOLD PRODUCTS, LEISURE, NEWSPAPERS, PUBLISHING, PACKAGING AND PAPER, SECURITIES, TEXTILES, TOBACCO, OTHER CONSUMER, OTHER GROUPS, CHEMICALS, OFFICE EQUIPMENT, SHIPPING AND TRANSPORT, MISCELLANEOUS, INDUSTRIAL GROUP, OILS, 500 SHARE INDEX, FINANCIAL GROUP, BANKS, DISCOUNT HOUSES, HIRE PURCHASE, INSURANCE (LIFE), INSURANCE (COMPOSITE), INSURANCE BROKERS, MERCHANT BANKS, PROPERTY, MISCELLANEOUS, INVESTMENT TRUSTS, FINANCIAL SERVICES, OVERSEAS TRADERS, ALL-SHARE INDEX.

Blizzards disrupt communications

FINANCIAL TIMES REPORTER

ROAD, RAIL and air communications were severely disrupted throughout Britain yesterday as blizzards and freezing temperatures returned.

The outlook for much of the country remains bleak. More snow is expected, which will severely affect yesterday's falls of snow were the South-West of England, the Midlands and Wales. Temperatures plunged to -15 degrees C in Edinburgh and Aberdeen.

Hundreds of roads were blocked in the South-West, with falls of snow up to nine inches. Many rail services were suspended.

Many homes were without electricity in Cornwall after the weight of snow brought power lines down.

In the London area airports were severely disrupted. Gatwick in Sussex was closed to all traffic for 12 hours, reopening in mid-afternoon. It was hoped that the backlog of flights could be cleared within 24 hours unless the weather deteriorates further.

Hundreds of workers in central London failed to report for work, with severe delays on tube and railway services in the South-East region. Many employers sent workers home in the early afternoon. Some intercity services from Euston were cancelled and services to Birmingham, Liverpool and Manchester were cut by 50 per cent.

Prudential admits bias against women

BY ERIC SHORT

THE PRUDENTIAL Assurance Company, Britain's largest life insurance company, yesterday admitted discriminating against women in its sickness policies.

The company was challenged in court by Mrs Valerie Turner, a company secretary living at Thurstone, near Sheffield, over a sickness policy. This contract agreed to pay a benefit of £5 a week if she fell sick for 14 weeks in an annual premium of £14. But for the same premium, the benefit paid to a man was £10 a week.

Mrs Turner considered this clause unfair and failing to get a satisfactory explanation from the company, she contacted the Equal Opportunities Commission, which suggested court action under the 1975 Sex Discrimination Act.

The Prudential admitted before Judge Bankes at the City of London County Court that it had breached the Act. Mrs Turner won £500 agreed damages from the Prudential and the company will pay her £300 legal costs.

The 1975 Act allows for insurance companies to provide lower benefits for women on insurance contracts, provided calculations are based on reliable actuarial data. Mr Brian Corby, chief executive of the Prudential, admitted that under the policy in question, benefits had not been based on the right data.

The Prudential's new permanent health insurance contract, paying sickness benefits for permanent disablement would give women benefits at two-thirds of the level for men. He emphasised that these benefits were based on reliable published data which showed that women were more prone to sickness than men.

BL failed to spot £250,000 stolen stock

A BL PLANT lost £250,000 of stock and nobody knew it had vanished, Glasgow Sheriff Court heard yesterday.

Six engines worth £30,000 were found in Scotland and England, and the Royal Ulster Constabulary found another 18 circulating in Ulster which nobody knew about.

All should have been in stock at BL's Albion works in South Street, Scotstoun, Glasgow. Alternators and Tachographs

worth about £130,000 had also disappeared.

Mr William Summers, 44, of Barrhead, Strathclyde, director of a garage company, admitted receiving 24 engines and a quantity of alternators and tachographs.

Sheriff John Mowat, who was told that all the equipment had been recovered, fined Summers £7,500 and gave him three months to pay.

UK CAR REGISTRATIONS

Table showing UK car registrations for December 1981 and 1980, and 12 months ended December 1981 and 1980. Columns include Total UK produced, Total imported, Total market, and breakdown by manufacturer (Ford, General Motors, Peugeot group, Vauxhall, Opel, GM, etc.) with figures for 1981, 1980, and percentage changes.

* Includes cars from companies' Continental associates which are not included in the total UK figures. † Includes imports from all sources including cars from Continental associates of UK companies. Source: Society of Motor Manufacturers and Traders

UK NEWS - LABOUR

BSC faces complete ban on overtime

BY BRIAN GROOM, LABOUR STAFF

THE IRON and Steel Trades Confederation (ISTC) yesterday named February 7 as the starting date for its complete ban on overtime at British Steel Corporation.

Ford union leaders agree to accept 7.4% offer

BY JOHN LLOYD, LABOUR CORRESPONDENT

UNION leaders representing Ford's 54,000 manual workers yesterday agreed to accept the company's 7.4 per cent pay offer.

Nurses plan march to underline pay grievances

BY OUR LABOUR EDITOR

NURSES are to draw attention to their pay grievances by staging a 350-mile relay march from Land's End to London, starting tomorrow.

Pit strike support expected

BY CHRISTIAN TYLER, LABOUR EDITOR

MINERS' union officials in the Durham coalfield are hoping to secure at least a 60 per cent majority for a strike to force an improved wage offer from the National Coal Board.

Tory trade unionists go to No. 10

BY OUR LABOUR EDITOR

MRS THATCHER was urged by Conservative trade unionists last night to take action on unemployment and worker participation.

British Rail calls for meeting on strike threat

By Philip Bassett, Labour Staff

BRITISH RAIL, summoned the leaders of its three unions yesterday to a special meeting of the Railway Staffs' National Council on Monday in another attempt to avert next week's national strike by the drivers' union Aslef.

Aslef officials were last night deciding whether to attend the meeting. Their decision may not be known until Monday morning, but if they decide not to attend the meeting cannot take place even though the other two unions—the National Union of Railwaymen and the white-collar TSSA—are expected to agree to take part.

Sealink officers claim 100% strike backing

By Our Labour Staff

MERCHANT NAVY officers' leaders yesterday claimed their strike over planned Sealink redundancies had attracted all the company's ferry services. In a strong attack on management, they called for an independent inquiry into Sealink's future plans.

Docks ultimatum at Southampton

SOUTHAMPTON'S 1,400 dockers have given the British Transport Docks Board an ultimatum in an attempt to get the crisis-hit port back to work.

The dockers have been on basic pay of about £105 a week since October 28, when the employers suspended all but the day shift at container terminals because of a dispute with 150 cargo checkers.

THE WEEK IN THE MARKETS

Shocks absorbed - rumours raised

Rumour rather than fact lay behind some lively trading in equities in the second half of the week. Come Tuesday's close the FT Industrial Ordinary Index was back where it was at the start of the three week Christmas account.

Discount debacle

The workings of the discount market—the channel through which the Bank of England conducts its money market operations—are mysterious enough at the best of times.

RTZ lifts terms

Rio-Tinto Zinc has given some concessions and made some ground in its two-pronged attempt to buy a fifth of the UK cement market.

London Onlooker

The first stage, the offer for T W Ward, is proving tough. The stock market had been indicating all along that RTZ's initial 190p per share terms would need some improving.

MARKET HIGHLIGHTS OF THE WEEK

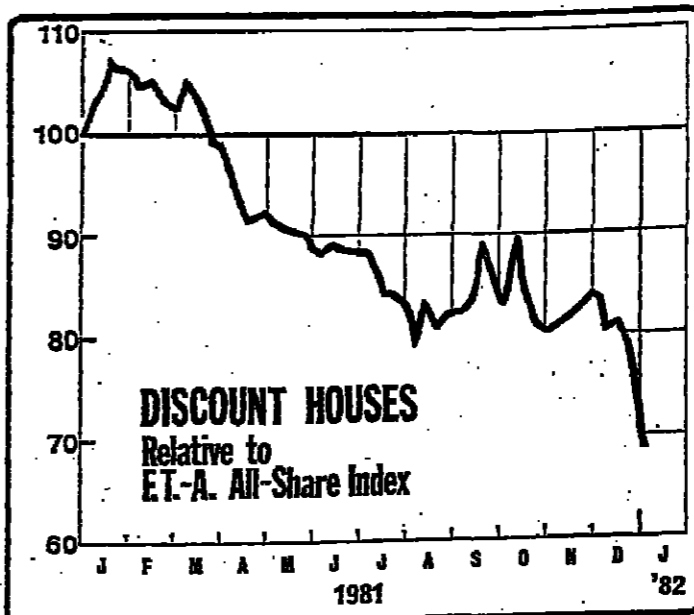
Table with columns: Price, Change, 1981-82 High, 1981-82 Low. Rows include FT Ind. Ord. Index, FT Gold Mines Index, Brown and Tawse, Gillett Bros, Hickson and Welch, Holden (A), Hoover (A), ICI, KCA Int, New Syntex, Palliser Resources, Quest Automation, Royal Worcester, Rustenburg Platinum, Smith St. Aubyn, Sogomana, Unigate, Waddington (J), Ward (T. W.)

An awful lot of Ides about

LOOKING ahead to the hoped-for improvement in metal markets at around mid-year is all very well, but we must be prepared for some pretty awful quarterly results from the mining companies in the meantime.

MINING

KENNETH MARSTON. The first of the Ides will come next week with the announcement by De Beers' Central Selling Organisation of the world rough (uncut) diamond sales figure for the second half of 1981.



The group was talking to Amos Hinton eighteen months ago but nothing came of that. Now some City pundits believe that Wm. Low is in its sights. A bid for Low could make sense on a trading basis and Low's shares crept ahead over the last couple of days capitalising the company at £12m.

Kwik Save rights

Kwik Save Discount has asked its shareholders to stump up £12.28m. It's the first time it has launched a rights issue since the mid-seventies and even now the retailer has little pressing need for cash.

Technical hitch

Electronic Rentals believes its profits growth has been interrupted due to technical difficulties beyond its control. Reporting unchanged pre-tax profits of £7.4m for the six months to September, the group said it had been hampered by supply problems with Philips in the growing video recorder division.

A middle ground guru

THE YEAR STARTED badly on Wall Street. After finishing last year with an 89 point loss, the Dow Jones blue chip indicator was hit for six this week by the combination of pessimistic forecasts for the 1982 American economy and some current economic data further clouding the outlook.

At about the same time last year, Mr Joe Granville, the colourful stock tipster, sent out his famous "sell" call which sent stocks crashing.

This year it was the turn of the infinitely more scholarly and highly respected chief economist of Salomon Brothers, Mr Henry Kaufman. After a hesitant attempt to rally, the market went tumbling down again when Mr Kaufman issued his traditional New Year prognostications on the economic outlook.

The gist of his message was that interest rates would remain highly volatile with an upward trend. Huge government deficits coupled with the large cash needs of major companies whose cash flows have been declining will again put pressure on interest rates.

And although the economy will pick up in the first half of the year, Mr Kaufman warned it would sag again in the latter half as interest rates and inflation rise again.

But Mr Kaufman, who is considered one of Wall Street's more apocalyptic theologians, is

NEW YORK

PAUL BETTS

far from being the most pessimistic of the gurus.

The real pessimists expect no recovery this year and only a small upturn next year. The optimists believe the recovery will begin after the spring.

But even the optimists are increasingly worried. The recovery would be based in large part on the effects of President Reagan's tax cuts. But now the President is having second thoughts on his tax programme.

It would also depend on the approach the Federal Reserve will take on monetary policy.

The Fed appears to have loosened of late. But the monetary aggregates have been rising more quickly than the Fed's short term targets. Many fear this could prompt the Fed to become less accommodating.

The money supply figures released last Monday were a shock for the market. The weekly aggregates rose far more than even the pessimists had expected, causing even greater concern about Fed restraint.

Thus many sectors of the economy and corporate balance sheets are likely to continue to labour under difficult monetary conditions. Detroit reported this week its worst annual sales for any year since 1961. Although the car companies hope 1982 will be turnaround year at last, a recovery in car sales is unlikely to occur in coming months.

Indeed, a Morgan Guaranty forecast suggests car sales this year will be even lower than last. The bank expects 8.3m cars including imports to be sold in 1982 compared to 8.5m last year.

Unemployment also continues to rise at record rates. The Labour Department said yesterday the December unemployment rate rose to 8.9 per cent. This is the second highest level since World War II—exceeded only by the 9 per cent unemployment rate in May, 1975.

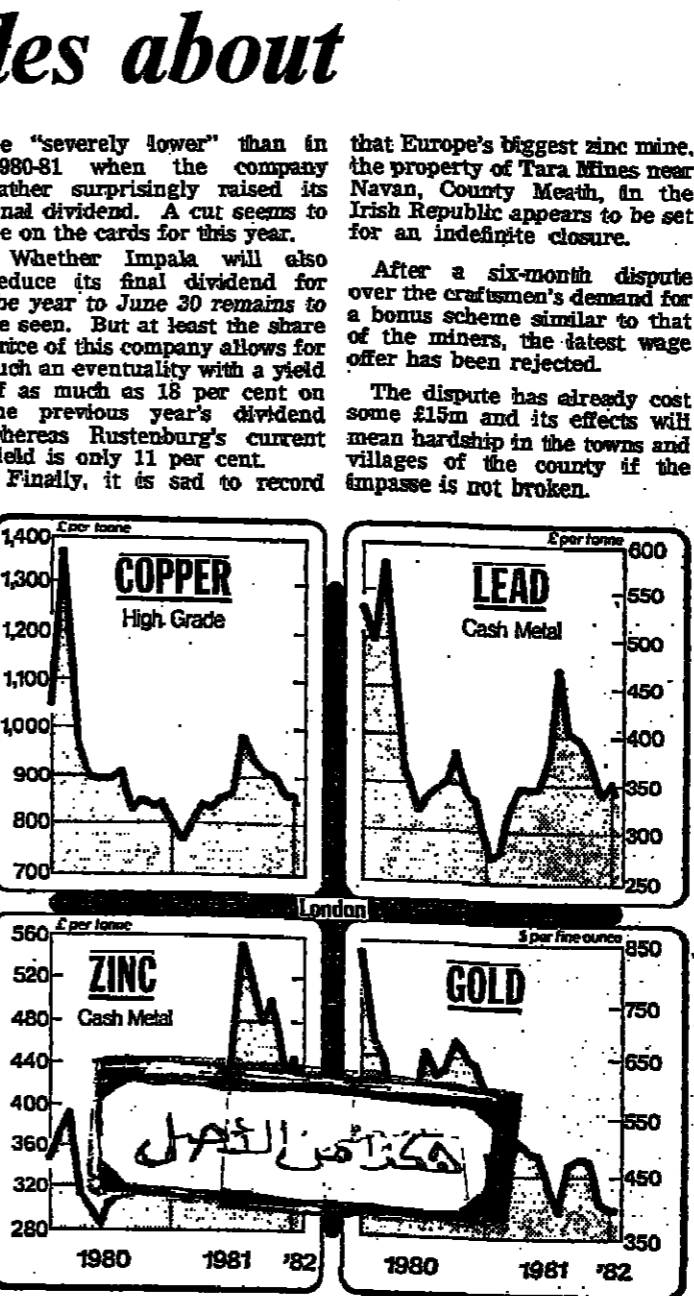
The current uncertainties are prompting investment advisers to suggest clients stay out of stocks for the time being at least. The popular "value line" investment survey recommends in its latest issue that bonds are "more desirable alternatives for current purchases than stocks."

The survey goes on to say "our reasoning is that business activity is slowing down, inflation is subsiding, and high grade bonds are even more undervalued at this juncture than common stocks."

Not that this gloom has taken all the fun out of the market. This was the week that finally saw U.S. Steel acquire Marathon after a two month long battle with rival bidder Mobil. But the market is now waiting for Mobil's next move, which could include a possible raid on U.S. Steel stock or on some other oil company.

The market was also buzzing yesterday with speculation that two of the longest and biggest U.S. anti-trust trials were about to be settled. The trials involve the Justice Department's long-drawn out attempts to split two of the country's biggest companies, IBM and American Telephone and Telegraph.

Settlements would be good news for both stocks. For IBM, which has been a great non-performer in recent years, the settlement would come at a time when Wall Street is again touting the stock for A.T. and T., one of the few stocks which actually gained last year. It would finally remove all the uncertainty which has surrounded the telephone company's future.



Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 29.1.82 are fixed for the terms shown: Terms (years) 3 4 5 6 7 8 9 10 Interest % 13 1/4 13 1/2 13 3/4 14 1/4 14 1/2 14 3/4 14 3/4 14 3/4

YOUR SAVINGS AND INVESTMENTS

Fly now, pay later. Rosemary Burr looks at travel credit schemes

Holidays on borrowed time

FLY NOW, pay later appears to be the new motto for the British travel industry. In a bid to attract customers, travel companies have inserted credit agreements in their brochures where formerly semi-clad ladies and muscular men held pride of place.

This year globe-trotters are being offered some holidays at lower cost than in 1981, guarantees of no extra surcharges and schemes to put off the day when the bill for the sand, sea and sun falls due.

A few companies have offered holidays in the past but these tended to be rather down-market vacations in the UK. Now nearly every brochure includes details of one sort of scheme or another. The cost to the customer varies tremendously from an Annual Percentage Rate (APR) of about 27 per cent, which is beneath credit card rates, to a hefty 50.7 per cent. Some loans are used specifically to holidays whereas others can be used freely as the customer simply gets a cheque.

There are two main types of credit schemes. First there are simply instalment loans whereby the customer gets a loan for the price of the holiday and repays over a period of up to two years in equal instalments.

Second, comes the save-and-borrow schemes where customers can save at attractive rates of interest and later borrow a certain multiple of their savings to pay for the holiday.

Travel Finance has been offering "wheels for cash-starved travellers" since 1964. The offer of its services is to be found in brochures from Intansun, Butlins, Balkan Holidays, Cosmos, Yugotours, Budget Holidays, Freshfields, Pegasus, Sealink and Teatrek.

The rates vary according to the plan chosen and size of loan. Two of the plans require monthly payments before the

between £70 and £180 repayable over six or nine months where the APR ranges from 37.8 per cent to 43.2 per cent.

holiday within their current budget. Blue Sky, the British Caledonian Travel Group, has



departure date. Some customers may be asked to pay a refundable special charge straight away which may range from 5 per cent on £180 to 2 per cent on sums above £500.

Travel Finance rates are competitive for holidays between £70 and £500 in cases when two instalments are paid before departure and the balance in 10 monthly payments. The APR here is between 29.1 per cent and 33.1 per cent. Otherwise, the rates are comparatively high especially for holidays costing

Provident Personal Credit, an arm of Provident Financial, offers loans for holidaymakers with Butlins, Ladbroke and Freshfields. The repayments are made weekly. A £500 loan repayable over 42 weeks carries a rate of 47.5 per cent, a £250 loan for 96 weeks will be at an APR of 49.9 per cent and £500 for 95 weeks has an outrageous rate of 50.7 per cent. Provident says it has higher collection costs as payments are made weekly, but travellers would be best to shop around for cheaper credit or take a

linked up with Chartered Trust, a wholly-owned subsidiary of Standard Chartered Bank. Together, they have come up with Holidaymasterplan, "the relaxed way to take a holiday."

In terms of the cost of credit this plan is streaks ahead of the competition. The true rate of interest is 26.8 per cent, nearly 4 per cent below the rate on Access or Barclaycard.

The loan must be used to pay for the cost of a holiday plus insurance. The borrowing limits are from £100 to £1,000. All loans must be repaid within

a year. The rate for savers is one per cent beneath Finance House base rate for example 14.1 per cent, which matches the best on offer elsewhere and is higher than the rate on clearing bank save and borrow schemes.

Anyone buying a holiday from Thomas Cook can use the credit scheme run by Forward Trust, a subsidiary of Midland Bank. The trouble is you might not know this is available. I went into one of Cook's City of London shops and after some tooting and froing a battered copy of the agreement was given to me. The assistant said it was out of date, not to be used and put a line through the application form.

The scheme works on the same principle as the Holidaymasterplan. Customers are paid 14 per cent on monthly savings in excess of £10. The funds can go towards holidays, travellers cheques and foreign currency.

The current APR is 31.3 per cent. Anyone holding a cheque guarantee card, Access, Barclaycard, American Express or Diners Club card can get up to £1,005 credit instantly. The maximum loan is £2,400.

Mercantile Credit, an arm of Barclays Bank, has teamed up with Hogg Robinson, the travel agent and British Airways. The cost of borrowing is fairly reasonable. The true rate of interest on loans is 30.6 per cent the same rate as Access and Barclaycard.

The Holidaymakers Budget Loan Plan applies to all holidays bought from Hogg Robinson Travel. Loans from £200 to £2,000 are available. The savings rate is currently 14.1 per cent. Customers get a cheque directly so the money can be spent on travel, clothes or equipment.

The scheme run in conjunction with British Airways is similar. Called Payway, the plan allows customers to borrow up to £5,000. Instead of getting the loan in the form of a cheque, vouchers are given. These vouchers can be used to pay for British Airways travel facilities, overnight, Enterprise, Speed, Hopper, Holidays, Free Wheeler Fly Drive, Associated Hotels, Avis Car Rental and British Airways air tickets. The rates are the same as the Holidaymaker plan.

If you need credit for a holiday, the first stop should be your bank manager as an overdraft is the cheapest form of credit. Failing this the Blue Sky/Chartered Trust scheme comes up trumps.

The next move should be to see whether you can pay with your credit card. It may be possible to raise your spending limit to cover your holiday, but remember a credit card can be very useful abroad so try to leave yourself some leeway.

Finally, if you are tempted by any of the other schemes don't assume the rate in the brochure is necessarily the rate you will be charged now. Some brochures were printed months ago and the rates have since changed.

Third time lucky in Tokyo

UNIT TRUSTS investing in Japan scooped up almost all the awards at the prize-giving for best performance in 1981. For the second successive year, gains on the Tokyo stock market left them well ahead of almost all the competition.

Last year admittedly had its unsettling moments. The Nikkei Dow Average, which pushed above 8,000 in mid-August, collapsed to almost 7,000 in the wake of the worldwide bourse shake-out six weeks later. But the index subsequently recouped most of those losses to close the year at 7,682.

For sterling investors, the underlying gains were magnified by the appreciation of the yen, particularly towards the end of the year. In the course of 1981, the yen strengthened from 482 to 419 to the pound.

The main impetus behind the market's advance was again the weight of foreign investment. The buying spree tailed off slightly in the second half of the year, when many of the favoured blue chip technology stocks suffered steep falls, but non-residents were still net purchasers of about Y40bn worth of equity over the full year.

Japanese securities companies are confident that the two year rally from the second oil crisis of 1979 will be sustained for a further 12 months. Pessimism has rarely been their strong suit, so forecasts should be treated with some caution.

Daiva Securities' estimate of

a market range between 7,650 and 8,300 is fairly representative. "Should the world fall into a more serious recession than expected, and money get extremely easy worldwide, the Tokyo market would challenge 9,000 points," Daiva says.

The Nomura Research Institute envisages a similar picture, with a substantial increase in corporate profits being dis-

counted and inflation differential. The yen can be expected to appreciate against both the dollar and sterling this year. As Morgan Guaranty expresses it, "an exchange rate of 195-205 per dollar would be much more appropriate than the recent 215-220 range." The Japanese authorities may be happy to see a steady appreciation of the yen as a way of scaling down its embarrassing current account surplus.

UNIT TRUSTS

JOHN MAKINSON

If the yen does move above the 200 per dollar level, securities companies expect U.S. pension funds to start investing more seriously in the Tokyo market.

Until now, they have been testing the water. Since OPEC investors, the biggest buyers of the past two years, are now constrained by the weakness of the oil price and many European institutions probably regard themselves as fully invested, the U.S. represents the main hope for continued foreign buying.

The fundamentals for Japanese equities look sound, but the market is already on a demanding rating and the technical position is worrying. Margin debt remains at a very high level and Japanese companies, which helped provoke the September sell-off by flooding the market with new equity, may be tempted to do the same again.

Moreover, as the autumn showed, Tokyo is by no means immune from the influence of foreign economies burdened with high interest rates and low growth.

No smoking... the best policy

Eric Short examines another good reason for giving up cigarettes

NORWICH UNION, one of the UK's major life companies, has joined the growing number of companies offering premium discounts to policyholders who are non-smokers. It is prepared to cut premiums by 10 per cent on its latest protection contract—the Triple Option Plan—if the policyholder has not smoked for the preceding 12 months.

This socially desirable move by those life companies which offer the discount is paying off in marketing terms. Guardian Royal Exchange saw its sales of term contracts improve 25 per cent since last September when it introduced the discount while Scottish Mutual, the UK pioneers in this field, also saw its new business rise substantially last year following its improved terms for non-smokers.

The marketing effects of the discount on protection contracts are considerable. Even a 10 per cent cut can turn an average premium rate into a market leader. All the policyholder has to do is to sign a statement to the effect that he does not smoke and has not done so for the previous 12 months.

Manufacturers Life Insurance Company (UK) has taken a much more adventurous line in its new non-smokers discount. Premiums on term assurance can be as much as 30 per cent lower for non-smoking and is available to all but cigarette or small cigar smokers.

But Manufacturers Life has not stopped there. Investors taking out with-profits contracts will qualify for preferential bonus rates if they are non-smokers to reflect their higher life expectancy and the company has emphasised that the difference in bonus scales will be significant.

While discounts for non-smokers are likely to grow simply from the marketing implications, one cannot yet expect to see life companies giving discounts for other groups with higher than average life expectancy.



Tim Dickson reports on the Penlee lifeboat disaster fund

Sweet charity for Mousehole

THE HAPPY ending to the row over cash contributed to the Penlee Lifeboat Disaster Fund highlights important differences between charitable and private trusts.

A trust is a legal entity which is brought into existence when a person (the settlor) transfers assets to trustees for the benefit of a third party (the beneficiary). Trusts are commonly created by people who are still alive or they can be set up under a will where part of the deceased's estate is put aside for the benefit of heirs.

The tax rules even for an apparently simple trust can be a trap for the unwary as the organisers of the near-£2m fund launched by Penwith District Council unwittingly discovered. Most donors who sent off money as a spontaneous reaction to the Mousehole tragedy do not doubt thought that their contributions would be passed on without fuss to the

relatives of the dead men. The position was complicated, though, because the fund turned out to be more than just a simple post box for redirecting the public's generosity. Trustees were appointed at an early stage and it was not made clear until this week on what terms the money was to be distributed.

A separate fund, organised by local fishermen, emphasised at the outset that it was no more than a collecting bowl for eight named beneficiaries and seems to have avoided running into any tax and legal difficulties.

The apparently obvious solution for the local authority fund was to register as a charity, a status which confers significant privileges. There is, for instance, no question of gifts to such a trust attracting capital transfer tax while the trust itself is exempt from tax on income, capital gains or distributions to beneficiaries.

and the major cause of the row is that the trustees of a charity have to administer the money in accordance with a complex body of charity law. In effect the money could have been used "to relieve poverty," but probably not suddenly to enrich eight families to the tune of £2m each.

Most people, notably the trustees, wished all the cash (however much) to end up in the hands of the families and for this reason the organisers have declared the fund a private trust. The size of any private trust "hand out" is not restricted by law and though such a vehicle is liable to certain types of tax, it is now widely agreed that any liability in the case of Penlee will be minimal, if not non-existent.

Bearing in mind the various CTT exemptions for individuals and the cumulative total lifetime threshold of £50,000, it is highly likely that any CTT

would in any case be paid by donors. Such a possibility seems to have been removed completely by a Treasury announcement on Wednesday that contributors to the Penlee fund would be indemnified against a liability for CTT.

Although there were mistaken reports to the contrary, no CTT will be payable by the trust in passing on money to the recipients. This might have been the case if the trust had been a discretionary settlement but even then an obscure clause in the 1975 Finance Act would have come to the rescue. If the money has been invested by the trustees, tax will be payable on the income.

Whatever the families receive as income, incidentally, whether from the fund or from their own investments, will attract income tax. The position would be identical in the case of a charitable and private trust.

Tax position on redundancy

FINANCE AND THE FAMILY

During the current financial year, it is necessary to draw a redundancy payment of £23,000 (including payment in lieu of notice) and also commute a lump sum of £9,900 from an approved pension scheme.

What is the tax situation under these circumstances? The tax position, on the bare facts outlined, is that the £23,000 is taxable to the extent that it exceeds the statutory redundancy payment, probably.

However, you may well escape tax by extrastatutory concession. You should send an SAE to the Inland Revenue Public Enquiry Room, Somerset House, Strand, London, WC2R 1LB, and ask for a copy of SP1/81 (Non-statutory redundancy payments).

within the annual exemptions. This would require a reasonably accurate estimate of the value of the house each year; and it must be emphasised that the validity of the scheme is untested. If that is done you can then bequeath your shares so as to take up the £50,000 exemption. Of course at present your total capital is under £100,000 and so the exemptions would prevent any charge to tax if your will is not in favour of the surviving spouse.

my executors having to liquidate the company which owns other properties which my wife would retain in the company? Could the company enter into some contract now but effective only on my death or could I create a special class of share (redeemable preference or debenture) by which I could achieve my ends?

New bell as an alteration

For many years the five bells in our church tower were not rung because the frame was unsafe. An appeal raised enough to re-cast the existing bells, purchase a sixth, and replace the old frame with steel supports for the old bells, plus the new one. We are being charged VAT on the lot, despite the fact that quite a large amount of the money spent has been on the sixth bell. Do you think Customs and Excise are right to charge VAT on the whole thing?

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I do not wish to transfer the properties to them until my death.

It would be difficult to achieve what you have in mind through the medium of one company. If, however, you formed subsidiary companies to hold the properties in question you could easily dispose of the shares in the subsidiaries by your will.

Would you advise an appeal?

The only way the cost of the sixth bell could be zero rated for VAT would be if it could be considered to amount to the alteration of a building. As the bell is additional and not a replacement such an argument does have some merit. However if the Customs and Excise refuse to zero rate the transaction you would not like to say what your chances would be of winning if the matter went to appeal.

Transfer exempt from CTT

My wife and I, aged 69 and 70, are joint owners of our £40,000 house, and we have shareholdings in our joint names worth about £45,000. Would it be possible for us to transfer ownership of the house to our son by a series of annual shares each equal to our joint annual entitlement to exemption from Capital Transfer Tax? If so, would this involve frequent, possibly annual, revaluations of the house? And how should we deal, in our wills, with our shareholdings so as to minimise the liability to Capital Transfer Tax? While this has not yet been tested in court, we believe that it is possible to transfer an equitable interest equal to a proportion of the value of the house, in each of a number of years in such a way as to fall

Exchange rates and tax

How is my capital gains tax liability computed if:— 1—I buy U.S.\$, then buy a U.S. stock, sell the latter at a profit and keep the proceeds in £. Is there a statute or Inland Revenue practice determining the exchange rates used for conversion, given that even on a particular day, exchange rates quoted might vary significantly and the rates published in different journals would differ? 2—Similarly, how would dollar dividends retained as dollars be treated for income tax? 3—Suppose I buy Dentchemarx with £5, then switch into \$ directly from DM. Is it correct that there would be no capital gains liability till I reverse the transaction into DM or £s?

the date of the purchase/sale contract (not settlement day). If U.S.\$ are credited to a bank account (as distinct from an account with a stockbroker, etc.), the credits and debits should be valued at their respective dates, for the purpose of calculating the gains and losses on the bank balance (so long as the account is not overdrawn), under section 135 of the Capital Gains Tax Act 1979. Foreign currency gains and losses are subject to different rules from gains and losses on foreign currency bank balances: the deposit of U.S.\$1,000 with a bank would constitute a chargeable disposal of \$1,000 U.S. currency, in consideration of a debt of U.S.\$1,000 due to you from the bank. Currency is deemed to be located where it is

actually located, but all bank balances (in credit) are deemed to be located in the UK, under section 18(4)(c) of the CGT Act, generally speaking. The closing prices given in the FT will suffice for most practical purposes. 2. Dividends should be valued at the London buying rate for the days on which they were payable, generally speaking, under section 122(1)(a) of the Income and Corporation Taxes Act 1970. 3. No; every link in the chain will produce a chargeable gain or allowable loss: DM—DM bank balance—DM—U.S.—U.S.\$ bank balance—U.S.—sterling, presumably. In practice, it is usually possible to agree a rough-and-ready basis of computation with one's tax inspector, to keep things fairly simple.

If you really want to make money on the stockmarket, start here... and NOW!

The IC News Letter is the United Kingdom's leading investment newsletter. It has a record of share selection which is seldom bettered. Take last year for example. Stockbrokers, Seymour, Pierce & Co., published a table which showed that the IC News Letter's Star Nap Selections for 1980 (its tips for major capital growth throughout the year) had substantially out-performed any of its rivals. Turbulent years such as 1981 test the nerve of every investor. Yet some of our 1981 Star Selections are still showing gains. Our record over the past few years speaks for itself.

An outstanding record over the years

1978 Farnell Electric	758%
1977 Automated Security	2,340%
1977 White Industries	3,526%
1978 Basic Resource Int.	336%
1980 North West Mining	195%

The average percentage appreciation in the recommendation price of all shares selected by the IC News Letter in 1977 at their highs (51 in all) was 24.4%. The 1978 Selections averaged 11.9% at their highs.

In 1981 the News Letter has pinpointed some outstanding opportunities. For example:

Volvo	currently UP 72%*
Mitel Corporation	currently UP 65%*
Brunswick Corporation	currently UP 46%*
Jackson Exploration	currently UP 36%*

A complete investment strategy The key to investment strategy is to understand the underlying trends controlling the market, to have the proper balance in your portfolio and to be aware of the right 'buy' and 'sell' signals. As well as providing recommendations, the IC News Letter offers advice in all these areas. In other words we do the groundwork. All you have to do is apply it.

The time to start is now! The potential for gains is enormous, even in the current volatile market. Why wait for the index to start rising before planning your strategy? By that time you may have missed the earliest and most lucrative opportunities.

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PROPERTY

How to buy a pub

BY JUNE FIELD

IF YOU ARE 28 years old and your only capital is your house (worth £30,000 after redeeming the mortgage), plus £10,000 in investments and savings, can you buy a pub?

Presuming that you can sell your home and top up your cash in hand with a 10-year loan of some £30,000, then yes, you can buy a Free House for around £65,000 or so, plus stock at valuation, claims the latest book on the subject, *Thinking of Buying a Pub?*

Written by Malcolm McDonald and Bill Price, and published by licensed trade agents Christie and Co and the National Union of Licensed Victuallers, it presents a case history of a John Jones and his wife who want to live in and run a pub, probably with the aid of a full-time kitchen helper, part-time bar staff and a cleaner. The strategy of mark-ups (profit margins) operating essentials (licences, stock control and so on) are all carefully detailed, as well as what to do if your bank turns down an application for a loan.

There are also pertinent reminders that running a pub is one of the most mentally and physically demanding of all occupations, which goes on for seven days a week for 52 weeks of the year.

And successful pubs are run by families — "without a full commitment from both partners, mediocrity and unhappiness eventually set in... A special kind of tolerance and compatibility is called for" (My italics).

There are three types of pubs: Free Houses (of which there are around 24,000, growing as the brewers sell off unwanted houses), where the licensee owns the pub, purchasing stock from whomever they choose. Some 29 per cent of brewery-owned outlets are managed, which means that the company takes not only the wholesale but the retail profit, while the remainder are run by a tenant who rents the premises from the brewers, from whom they buy their supplies.

Loans from brewers can sometimes be negotiated at favourable interest rates. But as Major R. L. Otter-Barry, consultant to hotel and licensed



The Cardinal Walsey, Hampton Court, where experience is probably essential for a good mix of trade. Offers around £100,000 for a tied lease. Details James Nairn, Brodie Marshall and Co., 66 Bolsover Street, London, W1 (01-388 2272), who will also send, for £4, a copy of "How to Buy Your Own Hotel"

property agents Robert Barry and Company, observes: "In return the brewers usually stipulate some form of trade tie. The amount of the loan available is usually related to the sums available from the banks, but may on occasion be unsecured. Brewers can thus be a useful and inexpensive source of supplementary finance if the business has a good volume of liquor sales, and prospective borrowers should approach the brewery of their choice direct."

The Reliance Consumer Credit (RCC), say they have facilities to obtain loans up to about two-thirds of the purchase price, which can be increased with additional security, which on freehold businesses can be borrowed up to a 10-year period, probably shorter for a leasehold depending on the unexpired term of the lease. Interest rates are between 4.5-1 above finance house base rates for a freehold, 6-7 per cent for a lease.

In spite of set-backs in the general property field, Mr James Nairn, chairman of Brodie Marshall and Company, specialist agents and valuers to the catering and hotel industry, reports improvements in certain Free Houses, wine bars and restaurants, particularly where there is good quality living accommodation. Sales to what he calls "novice-buyers"

are also on the increase. "This begins to show us that the recession has definitely ended, because over 95 per cent of the pubs, hotels and restaurants normally sold are to established hoteliers, restaurateurs, etc. It is only when the market appears to be improving that inexperienced buyers take the plunge.

"The attraction of pub and hotel keeping is not that it is just for the professional; the truly dedicated amateur can often become an example to others in the trade. Often, these new hoteliers will look back at the shortcomings they experienced when they were the guests, and vow to put them right when they become hoteliers or publicans.

But the need for a professional approach to buying a business in the difficult times is stressed. "You must ensure that you really know the current levels of trade, and not just accept the audited accounts which will be 18 months out of date. Even in this industry, many who overcharged, over-spent or who lacked dedication, have found their trade drifting away from them."

Brodie Marshall are also associated with a specialist book, *Miles Quest's How to Buy Your Own Hotel*, which has sold over 7,000 copies.

Brodie Marshall, in conjunction with the Hotel and Catering Industry Training Board, is also involved in the Small Business Services "Thinking of

Buying Your Own Hotel? Pub? Restaurant?" conferences. The next one is at Preston on January 29, with one in London on March 26. Training adviser Sheila Marsh told me that the aim is to get one over the first hurdle of making up your mind to run a hotel, guest house, tea shop, public house, restaurant or wine bar. "At these conferences, the facts about the industry are presented realistically by proprietors in the industry who have been through it all themselves."

According to the commercial business transfer department of Whiteheads, southern counties licensed property specialists, demand for free houses below £150,000 now outstrips supply in their area.

Partner Mr John Watkins attributes this to the number of people coming out of industry with a golden handshake or redundancy payment, which with a fairly substantial equity on their freehold home, plus additional funds from other sources, raises sufficient capital. "The way of life of a publican is usually seen as an attractive one, so there is always a steady demand for free licensed premises. At the end of the day, however, it may be found to be much harder work than anticipated and so the cycle of exchange continues. A lot of publicans nowadays are also looking to become masters of their own destiny, and are coming out of brewery tenancies."

(For what is currently available in licensed freehold houses in East Sussex and Hampshire from £50,000 to £350,000, contact Mr Watkins, Whiteheads, 52, Church Street, Hove, East Sussex.)

The book *Thinking of Buying a Pub?* £4.50, plus video tape of a dozen or so hotels and pubs, £8.50, from Mr David Rugg, Christie and Co., 32, Baker Street, London, W1, who will also send free a licensed trade listings booklet on properties in England, Scotland and Wales plus RCC finance and insurance leaflets: Free current Hotel Market report and England and Scotland property details from Mr A. H. F. Guillebaud, Robert Barry and Co., Corteswood House, Gloucester Street, Cirencester: Book *How to Buy Your Own Hotel*, £6 from Mr J. Nairn, Brodie Marshall and Co., 66, Bolsover Street, London, W1, plus property details: Conference details and free leaflets Sheila Marsh, HCITB, P.O. Box 18, Ramsay House, Central Square, Wembley, Middlesex.

SPORT

Games and the greed factor

THE RECENT freeze-up has been a serious blow to most league soccer clubs, causing both fixture congestion and additional cash flow problems at a time when many are struggling for survival. This is in sharp contrast to county cricket club treasurers, who throughout the 1960s were a perpetual scowl as they fought to keep out of the red. They can now afford to smile.

Although the financial renaissance experienced by first class cricket in England can to some extent be attributed to the introduction of the limited overs

schemes being channelled through the Test and County Cricket Board mainly for the benefit of the 17 first-class counties. Soccer not only took longer to feel the need for sponsorship but also developed it on different lines.

Whereas in cricket it is largely based on substantial financial central agreements with the TCCB, which has also maintained firm control over the limits of local sponsorship, football started with individual club sponsorship. The main reason for this was first that there are two bodies governing football in England, the FA and the Football League.

There is what might be called "the greed syndrome." Sponsorship provides additional incomes for players directly or indirectly and there is a tendency for some to regard this purely as a means of extra revenue for themselves without much, or any thought about the requirements of the sport which provides them with their livelihood, or about the sponsor.

The middlemen have become an essential link in the sponsorship circle. Without their experienced service both the sponsor and the sport would often lack the resources and the expertise to develop a sponsorship successfully. The best middlemen—who come in various forms and sizes, agents, sport brokers, PR organisations and promotion specialists—possess a detailed knowledge of both the sport and marketing which enables them to make useful proposals for improved presentation to the general public as well as to the media.

from playing in a tournament because the "appearance money" was not enough. The controlling sporting bodies are primarily interested in the money not the sponsor so they are liable to be tempted to accept the highest bid without reference to other criteria and often fail to give their full support to the promoter. Another contentious point is the amount of money paid by television. In the case of soccer, those clubs who already receive considerable revenue for shirt advertising are understandably annoyed that these cannot be worn for televised matches. If they were, the club would receive far more.

Television and radio find sport a cheap and rewarding form of family entertainment. Sport is unlikely to cost television more than £25,000 per hour as against around £110,000 per hour for a play or documentary. Broadcasters know that sport needs to be televised to obtain some types of sponsorship and therefore television is in a position to use this as a weapon to reduce its fee to the sport concerned. This applies especially to minor sports.

Sponsors can easily become too eager for extra publicity and harry the media who owe them nothing; indeed the media stand to lose money as sports sponsorship is an expensive substitute for buying advertising space in the newspapers or on the box or radio. A cautionary example was provided by the snooker match where the advertising banners almost outnumbered the 22 balls on the table.

Finally, the sponsorship company's employees see the amount of money being spent on sport. And they sometimes demand their share, although they would never think of claiming a "cut" from normal advertising expenditure.

SPONSORSHIP

BY TREVOR BAILEY

game, the real saviour has been sport sponsorship. The game's administrators appreciated the necessity for additional revenue long before football, which commanded much bigger gates.

Soccer administrators were slow to appreciate the necessity of attracting sponsorship. In an ideal world this might be the case, but the truth is that no professional sport (and many still parading as amateur, like athletics) simply could not function in its present form without large sums provided by commercial firms. It is significant that the number of spectators at a major boxing match is not as important as the number of overseas television stations which are prepared to show it.

Modern sponsorship in cricket began in 1963 with the Gillette Cup, which initially cost only £6,500. It was an instant success and set the pattern for the future.

This early move by cricket into commercial sponsorship has resulted in the major

Secondly there are 92 league clubs as distinct from 17 first class counties which means that even an enormous central sponsorship, like the £1m being asked for the League Cup, is quickly swallowed up. As a result, although football sponsorship is at present in excess of £2.5m, as against the £1m cricket receives from its major central sponsorships League football is economically unsound.

Sponsorship has benefited sport enormously. But with large sums and six different parties involved, problems are inevitable. Each of the six parties has its own temptation.

Secer: Football League Cup, 5th round, Jan. 13.
Cricket: India v England, 5th Test (Madras), Jan. 13-18.
Rugby: Scotland v England (Murrayfield) and Ireland v Wales (Dublin), Jan. 16.
Hockey: World Cup, men (Bombay), until Jan. 12.
Skiing: World Cup, men's slalom (Bad Wiessee, Germany), Jan. 12. World Cup, women's downhill and giant slalom (Grindewald, Switzerland), Jan. 13-14.
World Cup, men's downhill and slalom (Kitzbuehel, Austria), Jan. 16-17.
World Cup Jumping (Sapporo, Japan), Jan. 17.
Bobsleigh: British four-man champs. (Switz.), Jan. 11-17.
Karate: British senior inv. champs. (Crystal Palace), Jan. 17.
Rallying: Monte Carlo Rally (to Monaco), Jan. 16-23.
Sailing: World Champs, Lightening class (Puccon, Chile), Jan. 10-16.

Yes, there's a secret to skiing

BY ARTHUR SANDLES

THAT FIRST ride of the season on the ski lift is always a mixture of pleasure and trepidation. Will I remember how to turn? Can I ski just if it is so cold and grey what am I doing here anyway? Then comes the first run and with luck, the trepidation goes and only the pleasure remains.

With luck, for most of us skiing remains a perpetual hunt for that little secret which will unlock the door to good skiing. Everyone seems to have their hints from "bend ze kneez" onwards. "Steer with your shoulders," they cry: "Get your weight on to the balls of your feet"; "Point your knees where you want to go"; and "never look towards the mountain." All very well, of course, but are any of them The Key?

No. The real key is a lesson which no one ever seems to give me and yet it is, I believe, something which every novice should have engrained upon their skins before ever setting foot on snow.

The secret of skiing is this. There is a point in every turn when you are facing directly down the mountain. Understand that, come to terms with it and you are on the road to ski success.

If you doubt the accuracy of this rule watch other skiers. The good ones will show no fear of facing downhill, in fact they

will seek out turn after turn, lingering almost at the moment when those skis are pointing straight down the fall line. Now see the poorer skiers. For them it is a constant battle to avoid pointing downhill. Turns are jerky manoeuvres from one traverse position to another.

Often skiers will shy so violently away from that moment of truth that they turn right round and fall facing up the mountain.

Overcoming, or rather partially overcoming, fear of facing downhill, is much the same as overcoming the fear of putting your head under water when swimming. It is possible to learn to swim without ever getting your head wet, but it does make the whole process immeasurably more difficult.

It is, of course, a rare person indeed who completely overcomes worry about pointing down mountain sides. Face me with a steepish icy slope, particularly a narrow one, and I rock back on my heels. Whatever the brain says, the body turns to jelly.

So, even using the secret key, your skiing will not turn into World Cup class overnight. But you will find it easier to keep your eyes on where you are going, which is usually downhill, and move you a notch or two up the ski class list.



Facing downhill: Is it the key?

SNOW REPORTS

Resorts	Snow depth in cm	Resorts	Snow depth in cm
Min	Max	Min	Max
Abetone	30 100	Madesimo	120 210
Bardonecchia	120 230	Madonna di Campiglio	130 240
Bormio	100 130	Madocagna	60 270
Canazei	30 70	Ortisei	30 70
Cervinia	20 400	S. Martino Castrozza	70 100
Claviere	NR	Sauze d'Oulx	50 80
Cortina	50 130	Selva Valgardena	70 145
Courmayeur	145 265	Sestriere	80 100
Livigno	100 130	Vipiteno	20 100

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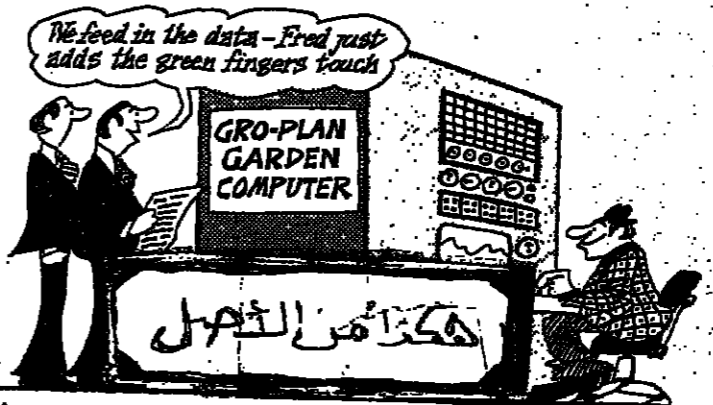
Putting your garden into the computer

IT HAD TO HAPPEN. Sometime, somewhere, somebody had to apply the unflinching memory of the computer to the tedious task of garden planning. The real surprise is that first in the field should be Hurst Gunson Cooper Taber, whose name will probably be totally unfamiliar to most gardeners. This is because the great Essex seed firm has hitherto preferred to keep discreetly in the background, confining itself to breed-

questions with accuracy and speed. All the inquirer has to do is to obtain a Hurst Garden Gro-Plan form from any shop or garden centre selling Garden Pride seeds, fill it in and post it, with £2, to Hurst Gunson Cooper Taber at Witham in Essex. The form seeks information about the size and shape of the plot to be used for vegetables, its aspect, the nature of the soil and the particular vegetable preferences of each member of the family. This information is then fed into the computer, which immediately produces an answer complete with plan of the plot showing where each vegetable is to be grown, how much room it will require, how many seed packets will be needed and what varieties are recommended. This is sent to the inquirer, plus a 50p voucher for Garden Pride seeds and a copy of Dr D. G. Hessayon's excellent book "Be Your Own Vegetable Doctor."

As far as I can see, about the only thing that Gro-Plan does not try to do is to suggest rotations of crops in subsequent years, and this is probably just as well because it has always seemed to me to be almost impossible to follow any strict rotation in the very limited space in most gardens available for vegetables. A measure of improvisation seems essential, and the most one can hope for is to prevent any vegetable returning to precisely the same place for three years. Even that, sometimes takes quite a lot of contriving.

Since this is a serious attempt to encourage garden owners to grow more vegetables, it deserves serious consideration.



Any computer, however advanced, can only be as good as the program fed into it and here a first study of the Gro-Plan suggests that some fine tuning remains to be done. The plan I have received is for a plot measuring 16 by 25 ft to supply three people with beans, peas, broad beans, carrots, lettuce, onions, sweet corn, spinach, cabbage and sprouting broccoli but with the proviso that only one member of the family like sprouting broccoli and only two like onions and cabbages. The plan allows for a 12 ft double row of Runner Bean Mergoles, 60 ft of Dwarf Bean Loch Ness, 32 ft of Pea Greenshaft, 16 ft of Beetroot Long Blood Red, 28 ft of Carrot Early Nantes, 19 ft of Lettuce All The Year Round, 25 ft of Spinach Monarch Long Standing, 25 ft of Cabbage Holland Winter 'E40 and 13 ft of Broccoli Purple Sprouting.

Clearly so small a plot cannot meet all the requirements of a family of three even for the limited range of crops specified but I doubt whether the computer has come up with the

would be wise to leave as little as possible to imagination. Clearly, computerized planning for vegetables is possible but it may take a little experience to get it quite right.

What are the prospects of the computer invading... other aspects of garden planning? It should not be too difficult to program machines to select and place plants for herbaceous, mixed or annual borders, to deal with bedding out, to plan rose, water and rock gardens and other such limited features. But could a computer tackle the much more complex problems connected with the design of a complete garden? I have little idea, since I find computers almost incomprehensible but because quite ordinary machines are apparently capable of playing a very competent game of chess it seems likely that a big computer could make some sort of shot at garden planning provided the programming was well done.

I am told that the best chess computers are programmed by world famous grand masters. Where I wonder, are the comparable brains to program machines for garden planning? It would probably require a team well versed in the availability of plants as well as the complexities of garden design since it would be of little use planning out thousands of plants, requiring plants that are in short supply. A task, maybe, for a group of firms; best of all a group of wholesalers who could guarantee to keep nurseries and garden centres supplied, whatever the demand. It is an intriguing thought but one fears the result might be to make gardeners even more alike than they already are.

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LEISURE

From bird life to Himalayas

SELECTING SPECIAL interest tours from the range currently available for 1982 is an arduous business. What, indeed, to choose from the well-established old favourites and the battery of bright ideas that materialise each season? So I can only apologise to those who may feel left out and launch into what must be a highly arbitrary choice.

It may as well begin by promoting one of my own hobby horses through the well-established birdwatching (and botanical) tours of Peregrine Holidays, at the same time endorsing their impassioned plea against the casual culling of Mediterranean delicacies which may turn out to be one of our own nightingales or black caps. "Grant warblers in particular," they write, "are fished on twigs when exhausted, dropped (often alive) into boiling water, then skinned, trimmed and pickled like walnuts." This practice has caused them to drop Cyprus from their programme, but they have an excellent range of spring and autumn arrangements especially in Crete and Greece, all of course accompanied by an experienced enthusiast. Further afield is their 12-day tour to India next autumn (provisionally £1,100).

Sumbird, who have entered the ornithological field more recently but have collected an impressive team of tour leaders, have pretty well a world-wide coverage: the North Yemen in March, for example (about £1,500), and Ecuador and Galapagos in July/August (about £2,400). Most of their European tours are in the £500-£800 range.

TRAVEL

SYLVIE NICKLES

In Britain, I have heard enormously enthusiastic reports from participants in courses run by the PGL Studies Council in its various regional centres; subjects range from some depth in the history, geography, and natural and human history of the country, to the more practical of travel arrangements, and the latter averaging £95-£100 all-in.

Some specialists combine various interests. PGL's Holidays, who have taken large numbers of us trudging through some of the remotest and loveliest parts of Europe and beyond for over 30 years, feature flowers and photography in a number of arrangements. A new one in 1982 is to Bulgaria, combining two mountain areas with a visit to the sea in July (cost of £1,200). Their courses cover walking tours, river cruises, and east Europe, but also extend to India, Nepal and Peru.

A small but very active specialist company who have



Bird watching in the Galapagos—the brown Galapagos Petican

been in the business for 11 years is Wes Himalayan Holidays. Their 1982 programme features both cultural and trekking tours through the valleys and passes close to the roof of the world. One that sounds unusually interesting next September is a 27-day trip crossing the Himalayas south to north in the company of the Gaddi shepherds on their centuries-old migration routes. The cost is £925 plus air fare.

Most of the tours require a sense of adventure and physical fitness, but not necessarily mountaineering experience.

Newcomer to the keep-fit field is the otherwise very old-established firm of Galleon who are promoting a whole range of activity arrangements in Bude, Cornwall. Among them is one specially designed for the business executive, a seven-day Kravitz course costing £250 all-in, starting and ending with an individual assessment and aiming to "develop initiative, physical fitness and resourcefulness among executives away from their usual working environment."

Still in Britain, Countrywide Holidays have a very wide range of special interests in nearly a score of centres based on an impressive 90 years of experience. Walking, field studies, country dancing and heritage tours are strongly featured, sometimes with two themes (such as walking and music) combined in one holiday.

Small groups of family or friends, not all necessarily wanting to do the same thing, might consider the offers of Take Five, the recent offspring of Saga Holidays, the "senior citizens" specialists. Take Five caters for all ages; the emphasis

is on self-catering and, in the case of some foreign destinations, self-driving. This is so for Upper Austria, for example, where accommodation is in farmhouses and apartments, with a good food hamper to tide you over the first night. But a special feature is the inclusion in the price (£87 for each of four for two weeks in the high season, including cross-Channel ferry) of vouchers valid for a whole range of sporting activities.

Music is the theme of one of Serenissima's programmes focusing on ten of Europe's leading festivals from Prague in late May (£535, seven nights) to Lucerne in late August (£550, seven nights). Prices also cover tickets for several festival performances. Page & Moy have a programme devoted to stately homes and castles in several European countries, including Royal Denmark (five nights, £228 in May and September).

French Travel Service suggest a charming interlude in Paris: a four-day Belle Epoque tour, with half a dozen departures (£225 from any British rail mainline station), reviving as far as possible the grand old days between 1885 and 1914, complete with the potteries, an operetta, and champagne at the Moulin Rouge. On another package they can fix you up en famille with an opportunity to share in Parisian family life.

Finally for the young who would like a rest from their parents there are the very carefully supervised adventure holidays of PGL in Britain and Europe, now in their 24th year. Arrangements fall into various age groups (7-9, 10-17 and adults from 18-30). If your

parents insist on being in the vicinity, PGL can probably help them with accommodation. A Dutch barge adventure is one of the attractive suggestions in Europe.

Further information: Peregrine Holidays, 40/41 South Parade, Sunnington, Oxford OX2 7JP; Sumbird Holidays, 2 Lower Sloane Street, London SW1W 8BJ; Field Studies Council, Preston Montford, Montford Bridge, Shrewsbury SY4 1HW; Ramblers Holidays, 13 Longcroft House, Frertherne Road, Welwyn Garden City, Herts. AL5 6PQ; West Himalayan Holidays, 66 Hungerford Road, London, N7 9LP; Galleon, Gallion House, King Street, Maidstone, Kent ME14 1EG; Countrywide Holidays, Birch Keys, Cromwell Range, Manchester M14 6HU; Take Five, Enbroke House, Sandgate Hill, Folkestone, Kent CT20 3SG; Serenissima, 2 Lower Sloane Street, London SW1W 8BJ; Page & Moy, 136/140 London Road, Leicester LE2 1EN; French Travel Service, Francis House, Francis Street, London SW1P 4DE; PGL, Station Street, Ross-on-Wye, Herefordshire HR9 7AH.

CHESS

LEONARD BARDEN

A LONG-STANDING tradition of British chess is that the British champion does battle at Hastings. There have been a few exceptions, but generally the BCF congress in August and the New Year event seems to catch players on a psychological rebound after the euphoria and boost to morale from winning the national title has worn off. Even Alexander and Penrose in their peak years were not immune to the fatal curse.

The trouble with such a well-authenticated jinx is that it provides a standing annual challenge to each champion to try to reverse it. In 1954 I shared the title with Alan Phillips and decided, partly in view of the curse, to decline my invitation to Hastings. My jointly-crowned colleague preferred to chance his arm and was "rewarded" with two meagre draws and seven defeats in nine games.

Four years later, I again tried for the championship but lost a play-off to Penrose. This time he turned down the Hastings invite and I was offered the place partly as a substitute for the champion and partly on the strength of fourth place in the Premier the previous year. This time I accepted, and the delayed curse duly took effect. My play

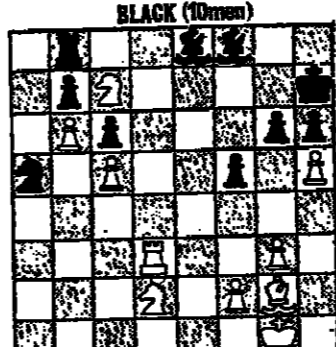
was dreadful, my score precisely the same as Phillips in 1954.

This year, for once, the Hastings jinx has been successfully defied. Paul Littlewood won the Grieverson Grant British title in August with a bold display of front-running tactics and aggressive chess. He began at Hastings where he left off at Morecambe and stormed to the front with four wins in his first four games. At that stage he was even on course for the difficult grandmaster norm of 8½ out of 13, but the middle rounds brought setbacks. It looks as if he will have to be

content with just a good result when the ICL Premier ends on Tuesday—but his primary achievement is to have broken the curse.

White: Paul Littlewood (England). Black: Murray Chandler (New Zealand). Queen's Gambit (ICL Premier, Hastings 1981-2). 1 P-Q4, P-Q4; 2 P-QB4, P-K3; 3 N-QB3, B-K2; 4 P-P, P-P; 5 B-B4, P-QB3; 6 P-K3, B-KB4; 7 P-KN4, B-K3. 7...B-N3 looks natural but falls into the trap; 8 P-KR4, BxP (P-KR4; 9 P-N5 stops the N coming into play); 9 Q-N3,

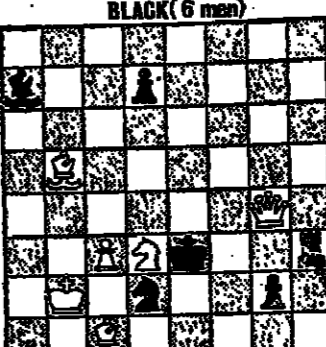
POSITION No. 405



BLACK (10 men)

Bohm v. Makarichev, IBM Amsterdam 1975. White (to move) is pressing hard and now played 1 R (Q3) R3. Was this a move forcing the immediate win of a piece and Black's resignation (b) an error in analysis or (c) clever calculation to win material?

PROBLEM No. 405



BLACK (6 men)

White mates in three moves at latest, against any defence (by F. Giegold). Warning: this is a real test for stronger solvers. "Tough," "took me hours" and "very subtle" are earlier comments. Solutions, Page 10

BRIDGE

E. P. C. COTTER

MY TWO hands today have a certain similarity — they are both concerned with elimination — but there are important differences. But I feel sure that you will find several points of interest in them.

Here all the players were first class performers:

- A. N.
Q 84
Q A 65
A 853
W.
Q J 103
653
Q J 84
Q 72
E.
K 854
72
K J
K J
S.
Q A K J 109
83
10964
North dealt at game all, and bid one no trump, to which South replied with three hearts.

North rebid four clubs, agreeing hearts and showing the club Ace, but South had no thoughts beyond game, and signed off with four hearts.

When West led the spade Queen, the declarer examined the position. With two losers in clubs and one in spades, he had to lose no diamond. Of course, the finesse might be right, but he looked for a way of avoiding it. He then saw that, although complete elimination was impossible — because all the trumps could not be drawn — partial elimination might be the answer.

To help the elimination, South allowed the spade Queen to hold, won the next spade, cashed the Ace of clubs, and drew two rounds of trumps. He hoped to find one defender with a doubleton King of clubs, and this early play of the Ace, before the defence could see what was going on, shows how good a player he was. East, however, was wide-awake, and dropped his King. The declarer continued with a low club, and East played his Knave, but West could not overtake without setting up the ten. East

was employed — he did not have the missing trump — and had to yield the tenth trick. A diamond return would run into dummy's major tenace, so he led a spade. This gave a ruff trick in hand, cashed the Ace, King of diamonds, and cut a diamond with a heart. East won, and played off his trump Ace to avoid a later endplay, and started to count. He placed declarer with two red doubletons, five spades, and four clubs. West must hold the trump King and the club Queen, otherwise South would have no problem. He returned a heart, knowing that one ruff discard would not allow South to dispose of his club loser.

The declarer ruffed in hand, throwing a club from the table, and led a trump. West had to win, and it was his turn to be employed. He knew that he could not afford to concede a second ruff discard by leading a red suit. It had to be a club, so he led the Queen — this, at least, gave the declarer a guess — but South had decided to play for spilt honours, he won with the King, returned a club, and guessed the ten in hand.

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Hornblower's last fight

THE GREY LIGHT of the dreaded Sunday dawned. I groaned at the thought of the annual battle ahead—a fight I have never won, not even drawn.

The date and latitude and longitude are fixed: the first Sunday after Christmas with me heavily outnumbered across the dining-room table.

The roast beef was digesting nicely. I decanted a large glass of port to ease the pain of the impending and ignominious defeat.

I waited for the ranging shot. Usually my wife leads the attack but this year 18-year-old daughter was the spearhead. It seemed at first a fairly harmless whiff across the bows.

"What are we doing about a holiday this year, Dad?" she said. As it was the first blow, I ignored the question. But I was rocked by the speed and accuracy of the second, this from 14-year-old daughter.

"We could go to America," she said. "A friend of mine went to Miami, said it was fabulous." Ah, I thought, so this is to be this year's strategy, a venomous feminine plot to lure me and my wallet across the Atlantic.

Before I could come about to present a bows-on target, my wife came in with guns trained onto my bearing. "Claire (she is eldest daughter who has fed the nest) said Disneyland was marvellous." "I would love to explore San Francisco" — 18 year old. "Quite cheap in the States" — 14 year old.

been reading the papers properly. I rammied this one home sensing a slight faltering in the ranks. Time to try to break the line.

"In any event," I said in my tone of decision, "I have to go to the States on a job later in the year."

This was a real blow, fired on the up-roll. I celebrated the first victory with a second glass. A mistake, my wife re-loaded in a flash.

"If you didn't drink so much we could afford to go to Hong Kong." (She had also erred with that one, and knew it.) "And if you didn't spend so much on clothes we could afford to buy a villa in the South of France," I said.

Blood was flowing in the scupper, no quarter asked or given, but sensing the chance of the first victory in more than 20 years I decided on a full broadside.

"But I am not," I said in my best Capt. Hornblower tone of decision, "beating all the way to the South of France surrounded by a lot of lunatic French drivers intent on their usual August carnage."

"Nor am I renting a villa in the Dordogne," a real hull-shot this one. Some years before we had taken what was euphemistically described as a "villa" but turned out to be a cottage perched precariously half way up a cliff sans hot water and sans heating.

We managed to get the car up a muddy track to within half a mile of the "erie." Only a strategically placed boulder—presumably left by an earlier disillusioned tenant prevented the car sliding into the river several hundred feet below.

wasn't an Oxford Dictionary in the villa. However, back to the dining room and I scented victory. There was some disarray in the opposing fleet. I discharged my cannonade.

"Package deal to Spain is also out," I said. "Remember Almeria?" This referred to two and a half hours sitting in a Boeing 737 in a temperature well into the eighties. The plane couldn't take off because of some bloody-minded air traffic controllers' dispute and the Spanish not letting us back into the airport. We finally arrived at Gatwick looking like baked potatoes.

At the bedtime surrender parley I was a magnanimous conqueror. I offered them Wales. "Not Fkely," said the 18-year-old, "grandma lives there; it rains all the time."

I proffered the West Country. "Traffic jams," they said. "A mini-break in the New Forest. It says here," I said, shuffling through the Sunday papers, "this very good hotel, venison dinner for..."

"Friday to Sunday isn't much of a holiday," said the 14-year-old. "We could combine it with a weekend in Boulogne," said my wife, who has been much taken by the place since attending a five-day "haute" cuisine course there.

I detected insurrection by the vanquished. A whiff of grape-shot as a warning. I decided. "Do you recall that ferry to Dieppe?" I asked. They were all suicidal with seasickness.

The peace treaty was drawn up over scones, lashings of fresh cream and tea. The three females are going to Miami. Wife (who works) is paying for herself and one daughter. I have generously agreed to pay for the other one... providing she finds her own spending money.

Me? I'm staying home to potter in the garden and lay down a few bottles of vintage. Paragraph three, clause four, says I have to join them in the States if the Editor agrees. Max Commander

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BOOKS

Canetti now

BY ANTHONY CURTIS

Auto-Da-Fé by Elias Canetti, translated from the German by C. V. Wedgwood. Jonathan Cape £7.95, 464 pages.

Crowds and Power by Elias Canetti, translated from the German by Carol Stewart. Penguin (paperback) £2.95, 375 pages.

The most recent work of the latest Nobel author, Elias Canetti, to be published in England is neither of the two books listed above which are reissues. It is an essay of just over a hundred pages, based on a visit to Morocco, *The Voices of Marrakesh* (Marion Boyers, £5.50). It appeared in 1978 translated by J. A. Underwood but it was already eleven years old, having originally been published in German, the language in which Canetti composes his literary works. In it he describes a visit to a part of Marrakesh occupied by hundreds of blind people, most of them beggars, all of them spending the major part of their lives in saying the single word, "Allah!"

Back from Morocco, [writes Canetti] I once sat down with my eyes closed and my legs crossed in a corner of my room and tried to say "Allah! Allah! Allah!" over and over again for half an hour at the right speed and volume. I tried to imagine myself going on saying it for a whole day and a large part of the night; taking a short sleep and then beginning again, doing the same thing for days and weeks, months and years; growing old and older and living like that, and clinging tenaciously to that life; flying into a fury if something disturbed me in that life; wanting nothing else, sticking to it utterly. Having acted out the experience for himself, Canetti then ponders its meaning:

I understood the seduction there is in a life that reduces everything to the simplest kind of repetition... I understood what these blind beggars really are: the saints of repetition. Most of what for us still eludes repetition is eradicated from their lives. There we have the essence of the man and I would urge the reader who is totally unfamiliar with the work to begin gently, if that is the word, with *The Voices*, rather than to make a premature assault on the novel

Auto-Da-Fé. In the shorter book you meet Canetti at his most relaxed and you are immediately won over by his guileful simplicity and charm. He proceeds always from the vividly realised particular instance, to the abstract principles governing it. He reduces a human personality to the ruling obsession that motivates it.

In *Auto-Da-Fé* we have a group of such personalities, each motivated by an obsession delineated in terms of things to the point of caricature, and mutually exclusive of the other obsessions with which it comes into violent conflict. The characters are like highly charged objects caught up in each other's fields of force, drawn to each other irresistibly, only to be violently repelled at the point of contact.

The one English writer I can think of whose view of the world seems to resemble Canetti's is, oddly, Ben Jonson, in plays like *The Alchemist*, or *Bartholomew Fair*. Canetti shares the black corrosive, yet strangely joyful energy of late Elizabethan and Jacobean comedy. Imagine a world peopled by figures out of the German painter George Grosz but scripted by a modern Ben Jonson or Middleton, and you have, perhaps a model for *Auto-Da-Fé*.

It appeared first in German in 1935 as *Die Blendung* and is his only novel to be published. The English version now reprinted was made "under the personal supervision of the author" by C. V. Wedgwood. Possibly the literal translation of the title, *The Blinding*, gives a more immediately helpful pointer to the intention. The city in which the action occurs is not named but it is clearly Vienna. Canetti was brought up there from the age of eight. His background is wonderfully cosmopolitan, born actually in Bulgaria to parents who were Spanish-speaking Sephardic Jews with German as a second language. They lived in Manchester for business reasons until his father died in 1913 when Canetti was 8; then Vienna, with school in Zurich and Frankfurt, until 1938; then Paris for a year; then London where he has a flat; then in 1963 Zurich where he now lives. In recent years the Nobel Prize judges have shown a strong bias in favour of writers whose genius has been the product of their uprootedness,



Elias Canetti in Stockholm recently, arriving at the Nobel Prize award dinner with Princess Christine of Sweden.

Samuel Beckett, Singer, Milosz and now Canetti. They share an underlying sense of the forces of history that have conditioned life in our period. They make the domestic concerns of many English novelists seem frivolous and trivial.

In *Auto-Da-Fé* the sense of exile is largely an interior one; we watch it overwhelming the anti-hero, an eminent scholar of Chinese literature and philosophy whose pride and joy, whose sole reason for living, is his magnificent library. It is not possible to live wholly in the rarefied scholarly ambience of a private library, removed from all human contact, much as Peter Kien tries so to do. Food, sleep, the cleaning of the premises, are necessities to which even super-human, scholarly singleness of purpose must occasionally make concessions, and they in turn necessitate the employment of a housekeeper and minimal human contact.

This is the chink in Kien's

armour through which he becomes vulnerable to the world. Mistaking his housekeeper's feigned respect for his beloved books for genuine reverence, he marries her.

Her obsession with security then comes into mortal collision with his passion for textual exegesis. This leads both of them to seek allies in the struggle, among tradespeople, criminals, vagrants and layabouts, each of whom tries to exploit the situation in the light of his or her particular ruling obsession. There is a peculiar nasty and vicious dwarf who nourishes dreams of becoming a world chess champion, and who latches on to Kien like a limpet. Gradually a group, or what Canetti calls a crowd, forms. The novel traces the formation and dissolution of this group as well as the careers of each of its members with remarkable saturation of detail.

Even the arrival on the scene from Paris of a "sane" man, Kien's brother, a psychiatrist,

who assesses the situation accurately and seemingly restores the library to its pristine tranquillity, cannot in reality begin to put out the flames aroused by Kien's mania. They spread contagiously like wildfire and it is in an actual fire started by himself that Kien perishes. Hence the title Canetti has chosen for the English version. Kien is martyr to the inquisition of his own self-sufficiency.

The image of fire as a metaphor of the behaviours of a crowd is one that Canetti examines along with many others taken from nature in *Crowds and Power* first published in 1960, and written while Canetti was living in London. It is a widely ranging study of crowd-formations throughout primitive and civilised society, history and religion. The two books, one highly imaginative and the other deeply thoughtful, are mutually illuminating, and it is good that both are now readily accessible to the English reader.

Malta mission

BY MICHAEL DONNE

Among the most stirring air stories to emerge from the Second World War was the heroic defence of Malta by the RAF at a time when the UK forces everywhere were under severe pressure, and especially in North Africa and the Medi-

terranean. Lord James Douglas-Hamilton's *The Air Battle for Malta—the Diaries of a Fighter Pilot* (Mainstream Publishing £7.95, 208 pages) is based upon the diaries kept by Squadron Leader Lord David Douglas-Hamilton, the author's uncle, who was sent out secretly to Malta on an American aircraft carrier, to command the 603 (City of Edinburgh) Squadron at a time when the island was sustaining heavier bombing than did London at the height of the Blitz. The air battle for Malta was one of the biggest air battles of the war, and in its own way was just as important strategically as the Battle of Britain. This intensely personal account illustrates vividly what life was like for a fighter pilot at that time, and is as good as any aviation action story I have read.

On her toes

BY CLEMENT CRISP

Early Memories

by Bronislava Nijinska, translated and edited by Irina Nijinska and Jean Rawlinson. Faber and Faber £15.00, 550 pages.

When she died in 1972 at the age of 81, Bronislava Nijinska left a first draft of her early memoirs. From her childhood she seems to have made notes about events and people; as a dancer at the Maryinsky Theatre in St. Petersburg and with Diaghilev she kept diaries and notebooks in which she set down more extended commentaries about her life, about the art she so nobly served, and about her brother, Vaslav Nijinsky. It is from this mass of material that she was preparing a first volume of autobiography, which has now been completed, edited and organised in translation by her daughter Irina and a novelist, Jean Rawlinson. The result is a detailed and illuminating book about Nijinska's family, about her own career and that of her brother up until the outbreak of the first world war, and especially about the fabled world of the St. Petersburg ballet and the early seasons of the Diaghilev enterprise.

There emerges a vivid picture of life in Petersburg, where the young Bronislava and Vaslav grew up once they had entered the Imperial Ballet school and company, and of the Russia through which the Nijinsky parents travelled as itinerant dancers in private theatres. Nijinska's own life affords us extraordinary insights into the balletic world in Russia, but the central figure of these memoirs is effectively Vaslav Nijinsky, whose apologetic this is, more so even than in his wife Romola's biography (which Stravinsky called "an infernal lampoon").

Nijinska's Nijinsky is lively and articulate, a far cry from the taciturn and uncommunicative being we meet in the writings of most commentators on his life. By its devotion quite as much as by its intimacy, this view engages our sympathies and, to a large extent, our credence. But despite the special pleading inevitable from a sister who acknowledges the profound influence of Nijinsky's creativity upon her, we sense how various pressures—Nijinsky's rejection of his



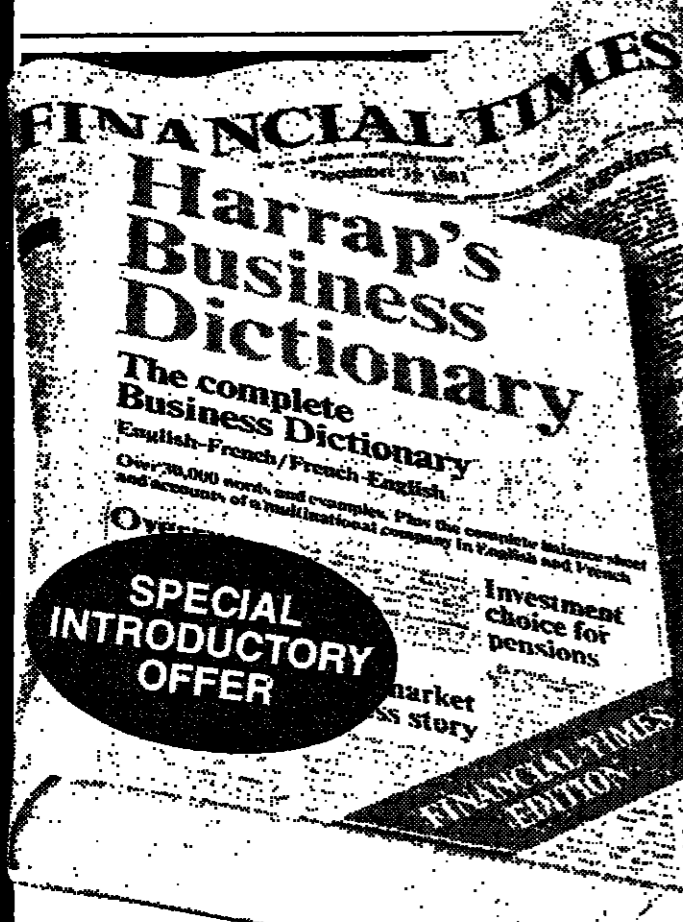
Bronislava Nijinska as the Street Dancer, Konstantin Koblev as the Organ Grinder and Lyudmila Schollar as a Gypsy in the first scene of "Petrushka" in 1911

errant father; his distress at the mental instability of his elder brother; his uncertain relationships with women and his acceptance of the protective patronage and love of Prince Lvov and then of Diaghilev—were to produce those stresses which helped bring about his own mental collapse.

In Nijinska's portrait, though, it is hard to reconcile the musically gifted young man she presents with Stravinsky's "poor boy who knew nothing of music," or the "most ordinary youth... who really remained a boy" until the moment he was overwhelmed by insanity" of Benois's memoirs. The truth, as so often, lies somewhere between. Even so, Nijinska's is a compelling figure study, sensitively placed in its exotic settings. And as a bonus there are the other portrait-souvenirs: Chaliapine, with whom the young Bronislava fell hopelessly in love; a rugged and pained Cocteau and a vain, tipping Modeste Chabovsky; the improbable idea of Diaghilev trying to stuff a banana down Misa Ser's décolletage; and best of all, the descriptions of the Maryinsky ballet in its hide-bound decline, and of the excitement attendant upon the first Ballet Russe seasons, with superbly detailed accounts of Nijinsky dancing, and of Adolf Bolm surging over the stage as the Polovtsian chief.

There is, of course, the "Rashomon-effect" inevitable with memoirs about the Diaghilev era, and I am not prepared to discount the conflicts of evidence with the testimony of Grigoriev, Fokine, Benois, Stravinsky, and of Walter Nouvel in Haskell's *Diaghilev*. Nijinska proposes Baron Gumbourg, Diaghilev's *homme d'affaires*, as a likely villain in the dismissal scandal, through his desire to replace Nijinsky with Fokine as choreographer; the *assoluto* Kshesinskaya features oddly in the *trouhza* about Nijinsky's "revealing" costume which led to his departure from the Maryinsky. I would challenge Nijinska's assertion that Ravel was invited to compose *Daphnis* in 1910, when Calvocoressi's entirely trustworthy memoirs date this commission to 1908. But despite these reservations, and a rather pedestrian prose style in the translation—and some minor errors in names and titles—*Early Memoirs* is a tremendous document, an essential aid to our understanding of one of the great periods of Western culture.

In the era of the Ballet Russe, Russian avant garde artists were also creating remarkable works. Many of these have been rediscovered by a Moscow-born Greek, George Costakis. His magnificent collection which, among other items, contains 20 Kandinskys, is superbly presented in *Russian Avant Garde Art* (Thames & Hudson, £28, 572 pages).



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Run rabbit re-run

BY ADAM MARS-JONES

Rabbit is Rich by John Updike. André Deutsch £7.95, 467 pages.

With *Rabbit is Rich* John Updike returns for the second time to his character Harry "Rabbit" Angstrom, and examines his further progress in the world. That Angstrom is outstanding neither for intelligence nor decisiveness might make the prospect of a second reworking seem unpromising, but these factors almost work in the book's favour. Rabbit's accommodations to marriage and career were always provisional in previous volumes, and no violence is done to so pathologically unfinished a character by reposing him to the late 1970s, and entering him for a third bout with the human condition.

Rabbit is rich, and almost happy. First seen as a demonstrator of the MagiPeel Kitchen Peeler, he is still a salesman, but now he co-owns a car showroom. Since the cars he sells are fuel-efficient and Japanese, he is finding the recession less than most, and since his marriage has been in crisis from the start, it is in respectable shape by the standards now prevailing. Janice Angstrom, adjudged a poor consumer choice in 1959, turns out to have staying power.

Rabbit Angstrom is in fact more stable at 46 than he has been for a long time, and the adjustments he must make in the course of the novel are caused as much by the chronic shrinking of the world as by any personal limitations. The energy crisis affects everyone.

Appropriately enough, the events of the book recycle old patterns and rearrange past experiences; Rabbit must see his own adolescent traumas played out in the person of his son Nelson. This theme, and with it most of the book, centres naturally on the city of Brewer, Pennsylvania, but two subsidiary plot-threads pull in slightly different directions. One is Rabbit's anticipated relationship with a girl he guesses to be his daughter by an old flame (Ruth Leonard of *Rabbit, Run*). They meet only once, when she visits his car showroom at the beginning of the book, but she becomes and remains part of his mental furniture. The figure of this un-

known daughter promises to reconcile Rabbit the adulterer and Rabbit the family man, his centrifugal and centripetal aspects, and he pays two further visits to the farm where she lives, without making any discoveries.

Rabbit the adulterer is still busy, at least in his thoughts, this time with Cindy Murkett, the young wife of his golfing partner Webb. She doesn't encourage him, but he feels that their encounter is somehow predestined; he expects a proposed Caribbean holiday to provide opportunities.

The plot moves deftly enough towards the resolution of all these matters; but throughout, the texture of the writing is what demands attention. Updike's subject-matter is quotidian, and his characters are no broader than their backgrounds have made them; so all the resources of his rhetoric are lavished on making the prose thicken and cross-refere, without betraying the existence of a narrator subtler than Harry Angstrom, salesman and ex-basketball star.

To this end Updike saturates his book with the news headlines of 1979, and fills his creature Rabbit's head with the magazine *Consumer Reports*; he goes to great lengths to prove he's transcribing the world and not transforming it. This is a paradoxical endeavour, like the more it succeeds the more pointless it becomes, and the result risks being too insistently contemporary, an instant fossil with every period detail in place.

A scrupulous materialism has always been one pole of Updike's style, though perhaps in the past it was less obtrusively documented; the dollar-sign on his typewriter-keyboard is as indispensable as the comma. But there is another equally characteristic element at work, a covert lyricism which allows Updike to moralise, editorialise and aestheticise to his heart's content, as long as he leaves the realistic surface of the book undisturbed, and so avoids frightening the Book Clubs.

Normally he risks purple phrases rather than whole passages, and hides an epigram ("in the vacuum of the heart

love falls forever") in a hedge of prosaic detail. So, for instance, a rainstorm features first as a meteorological event (causing a baseball match to be cancelled), then as an immediate experience (beating on the windows), and finally as a subject for lyrical variation: "The beech accepts, leaf upon leaf, shelves and stairs of continuous dripping, the rain."

The combined reductive and poetic approach is put to particular use in the sexual scenes, when flesh is most sheerly itself, but also most mysterious. Only occasionally does the technique falter, once when the adultery-theme is concluded on the long-awaited Caribbean holiday; partners are indeed swapped between the couples, but Rabbit is matched not with the delectable Cindy, but with unglamorous Thelma, intelligent, intense, and dying slowly of lupus. The result is a night of confession and sexual taboo-breaking which threatens to be both solemn and ridiculous, and prompts the only reported speeches in a book that is conspicuously full and expansive at every other point.

In the Angstrom saga John Updike, who was born in Pennsylvania but came to notice as a New Yorker staff writer,



re-creates his native town across three decades, scrupulously mimicking social attitudes as they change. It may be that he needs the ballast of this material for his style to be properly buoyant; but Updike the transforming narrator nevertheless outclasses the puppets he has now for the third time chosen to surround with the richness of his observation and his language.

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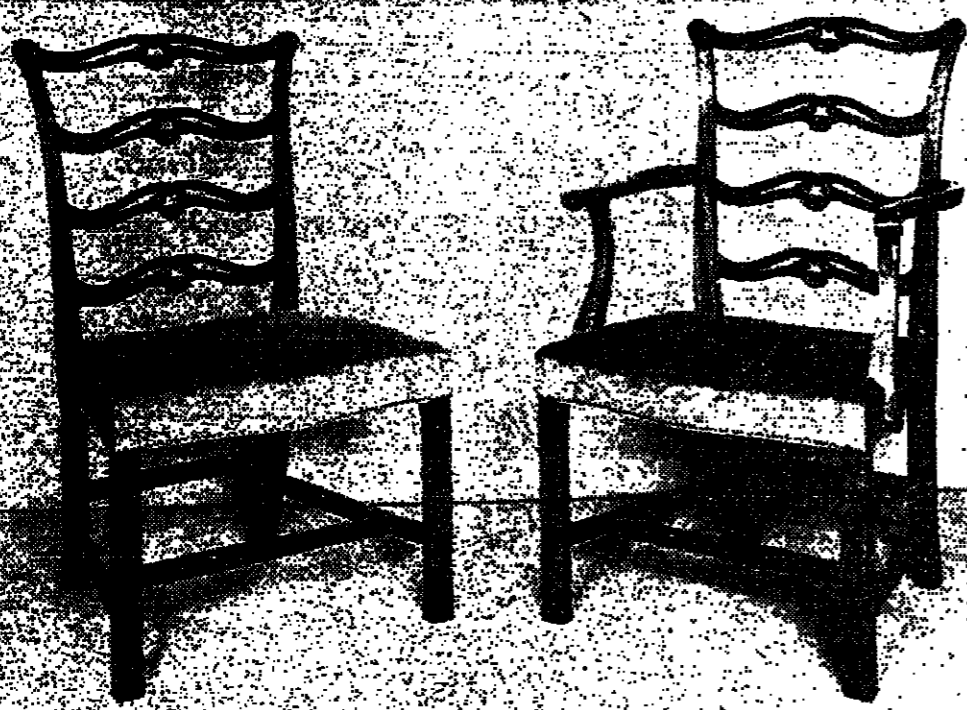
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HOW TO SPEND IT

by Lucia van der Post

A better class of repro



THERE IS something about the very word "repro" that makes most of us feel very uneasy. Mention it to one's friends and the standard response is usually something between a sniff and a sneer. Similarly, anybody who deals in genuine antiques is most unlikely to be able to regard a reproduction with anything but a chilly disdain—regardless of how much difficulty he has in recognising it as such. I personally have to confess to a great deal of prejudice in this area—lacking the wherewithal to buy genuine antiques I prefer to surround myself with a combination of modern furniture and the simple honesty of "junkshop" finds.

However, there are now some reproductions which are so meticulously-made, so finely copied from much-admired originals, so evidently produced with loving care that one's instinctive objections seem hard to sustain. Take the furniture of William Tillman. He has a splendid showroom at No 30, St James's Street, just off Piccadilly where anybody who is interested may see a large selection of his reproduction pieces mixed with a small but fine collection of genuine antiques.

William Tillman started off, like most of us, thinking that there was nothing like a genuine antique and his very first job was in restoration—repairing antiques for the trade. It was only when he saw that there were simply not enough antiques to go round and that the demand for 18th century dining and breakfast tables completely outstripped the supply that he decided to start making them himself.

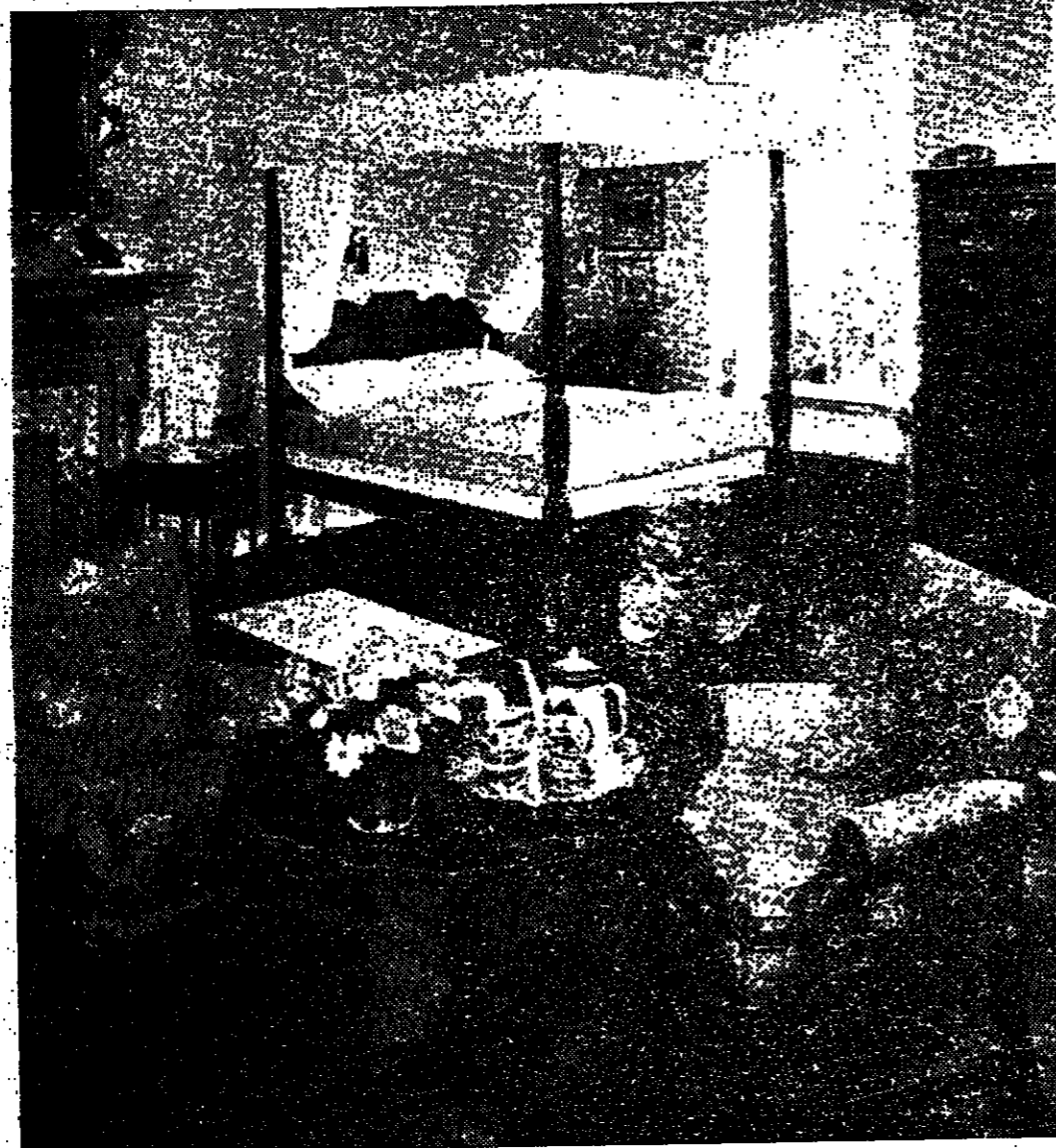
The first table he ever made was a copy of a Sheraton dining table and it sold, 25 years ago, for £88—today it would cost just over £1,000. At the time he already had 25 craftsmen working for him on the restoration side so it was relatively simple to turn over to making furniture instead. Now he has 65 craftsmen and produces over 50 different lines—most of them what might be called "line-for-line" copies of original Chippendale, Sheraton or Hepplewhite designs (he considers the period between 1780 and 1820 to have been the finest and most elegant time for English furniture)—but a few of them are what he calls "Chippendale style" or "Sheraton style" that is, modern adaptations of old designs.

All through the recession whilst most of the furniture industry was on one or two days a week, William Tillman's men have been on overtime. He turns out over 100 pieces a week and when you discover the difference in price between one of his designs and its original model (if it could be found) it is not so surprising that his pieces are so sought-after.

For instance, about a year ago Mr Tillman bought a Sheraton oval breakfast table at Christie's for £12,265 and he had to do quite a bit of restoration work on it as well. He now makes line-for-line copies of it (see the photograph above right) which he sells for £2,310 (plus VAT). He even claims his version is better. "You could take one of my tables and float it down the Thames. All you'd have to do is wipe it down, and then you could dine off it. Modern glues are now superior, construction methods are

Photographed above are two Chippendale-style ladderback dining-chairs in mahogany from William Tillman. Chairs are much more complicated to make than tables which accounts for the fact that they seem surprisingly expensive—though when you look at the fine quality of the carving it is perhaps less startling that they cost £495 (plus VAT) each. Most of William Tillman's collec-

tion consists of tables, desks or chairs—to produce today a desk or secretaire to the kind of standard that Mr Tillman aims at would be almost impossible. For instance a George III bookcase which on the open market would nowadays fetch about £25,000 would require so many man hours to make it to the required standard that he couldn't do it even if he could sell it for £25,000.



Photographed above is a selection of furniture from the showroom of Baker, Knapp and Tubbs at 26 King Street, London WC2 (an introduction from an interior decorator or a shop that stocks the furniture like Harrods or Waring and Gillow is necessary before going along). The splendid mahogany "Rice Bed" is a copy of an original

which is still in Middleton Place House in South Carolina. The bed was made for an 18th century Middleton bride and rice, which brought Charleston its wealth, is celebrated in the rice fronds hand-carved into the bedposts. The original is, of course, unavailable—copies from Baker, Knapp and Tubbs are £3,700 each. The mahogany tallboy

in the background is £3,600 while the small group at the front of the photograph consists of a small breakfast table at £450, and two little Regency chairs at £630 each. Baker, Knapp and Tubbs carries stock of most models but if there is no stock there may be a wait of three to four months.

better and my timber is kilned so that it can withstand the high temperatures of centrally-heated houses."

Who buys his furniture? Most of it goes to British homes, bought by the sort of people who live in country houses and either can't afford or can't find the antiques they'd really like.

Anybody interested in Mr Tillman's range can see it either in his showroom in St James's Street or shops like Harrods, Maples, Waring and Gillow have a good selection.

Another company specialising in very high-class reproduction furniture is Baker Knapp and Tubbs. An American company which opened lavish showrooms at 26, King Street, London WC2 (an introduction from a shop

like Harrods or Waring and Gillow or an interior decorator is necessary to visit them) it specialises, needless to say, in copies of American designs, and like Mr Tillman it too finds it is riding the recession exceedingly comfortably. "There seems to be an insatiable demand for high quality reproduction furniture," said the manager.

Many of the designs are copies of American originals at Charleston, South Carolina and it is because of the company's known high standards that it has been given permission by the appropriate societies to make the copies.

It also makes copies of furniture from private collections in fine houses both in America and over here. From England

there is a group of furniture copied from originals at Woburn Abbey—there are some nine pieces of Regency satinwood at prices ranging from £2,100 for a small table to £11,000 for a breakfast cabinet.

The quality of the furniture is unmistakable, from the fine finishing of the wood to the smallest details like the brass handles, the keyholes and the carving.

I don't suppose any of these copies would fool Arthur Negus but they'd certainly fool most of us and given the difference in price between these models and their almost unobtainable originals, it's not surprising that they're all going as fast as the proverbial hot cakes.

Treat the house

I'M NOT a great frequenter of sales myself—I don't seem to have the stamina, the elbow-pushing power or the sheer determination that these forays require—however there are two sales that I propose to take advantage of myself as they seem to offer especially tempting buys.

Descamps, the French bed-linen shop, at 197 Sloane Street, London SW1 has a special promotion running for the whole of the month of January. Two of the current designs, "Ondes" (a minute abstract in pale pinks and blues) and "Crochet" (a tiny zig-zag in bright pinks and blues) are going to be reduced—single sheets (in 100 per cent cotton) down £3 to £14, doubles down £4 to £16, Pillowcases, duvet covers and so on will be similarly reduced. But the big

bargain seems to be in square pillows—anyone who has a collection of hand-embroidered Victorian pillowcases and can't find the pillows to fill them should rush off now to Descamps where square pillows (65 cm by 65 cm) are on sale at £6.95 each.

Sanderson of Berners Street has a sale (until February 6) which offers really substantial reductions on certain bedlinens: furnishing fabrics, wallcoverings and rugs. For instance, from the "Options" collection there are polyester/cotton easy-care duvet covers and pillowcases (of seconds quality, though I couldn't find the flaws) on sale at less than half the normal retail price (i.e. double duvet covers are down from £27.50 when perfect, to £12). Wallpapers range from £1.99 to £3.99 depending on the design.

Winter warmers

SKIERS, mountaineers, farmers and other outdoor types long ago cottoned onto the value of thermal underwear but it is only fairly recently that it has begun to be sold in chain-stores up and down the country. I remember just two years ago trying to buy thermal underwear for a skiing holiday in an ordinary department store and being given a withering glance by a languid assistant who told me that they certainly didn't stock it in my size as only elderly large ladies were interested in it. So much for keeping up with customer trends.

Today young girls up and down the country are buying it to keep them warm whilst waiting at chilly bus stops, to enable them to wear their cotton trousers and dresses all through the year, to keep away draughts when wearing light evening dresses. You can now buy underwear that goes by the name of "thermal" in chain-stores like Marks and Spencer, British Home Stores, Littlewoods, as well as in department stores like Harrods and Selfridges.

Thermal by itself doesn't mean a great deal—it simply means "of heat"—but the clear implication is that thermal underwear will keep you warmer than the non-thermal sort. Certainly almost all the clothing sold with this kind of label will keep you a lot warmer than the flimsy silk or cotton numbers that most of us prefer to wear in warmer months.

The two main fibres used in thermal underwear are chlorofibre and Courtauld's newest fibre, Viloft. A big user of chlorofibre is Damart, who pioneered the whole idea and who were for years the sole purveyor of these goods.

The Damart catalogue (available free from: Damart, Dept 2, NMA, Bingley, West Yorks) provides a very easy and convenient way of buying. It looks amusingly (or perhaps reassuringly?) old-fashioned, but it does offer a fairly wide variety of styles from a fairly solid all-covering version useful for really chilling activities like mountaineering or skiing to quite skimpy and lacy numbers which are obviously only thermal where they cover (which isn't very much).

The catalogue has the great virtue of being extremely clear



Winter warmth for him and her. In the photograph is Chilprufe's contribution to a more comfortable winter. In 50/50 Viloft polyester the range for men is in white with contrasting navy stripes—T-shirt and trunks are each about £7. For her—also 50/50 Viloft polyester has been used—in white only, the sleeveless top, about £4.95.

and informative and for trends who read the fashion pages it also offers an authentic grand-dad type rest (the sort with three buttons down the front) at £7.55.

The chief disadvantage of chlorofibre is that it needs careful washing. The set I bought for skiing came with a label saying it must only be hand-washed, must not be dried artificially, nor be ironed! If you can face all that, it does keep you warm.

Viloft, Courtauld's new fibre, can, on the other hand, be machine-washed at 50 deg C and machine-dried.

Most of the chain-stores and shops now selling thermal underwear offer a choice. For instance at Marks and Spencer, which sells its own brand, there is chlorofibre, polyester, poly-Viloft, polyviscose. Prices vary between £2.50 and £2.99 for both pants and vests for women, whilst for men prices are £3.25

for sleeveless vests and short-sleeved vests at £4.50 each.

At British Home Stores, too, they are selling underwear in both chlorofibre and polyViloft and offer a variety of designs.

If you're looking for exciting designs you won't find a great deal of choice. Wolsey seems to me to have some of the best around—a year or so ago, apparently, they experimented with more exciting colours but none of the underwear buyers believed it would sell, so we never got a chance to see it.

For the moment the choice of colour seems mainly limited to white and cream with a little blue or brown (at Marks and Spencer and British Home Stores).

Much the most exciting sounding range is the collector Wolsey has introduced for men—brightly-coloured long johns with matching zip polo necked sweaters, or "T" shirt-style tops.



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ARTS

Les Patineurs

BY CLEMENT CRISP

A new triple bill at Covent Garden brings Les Patineurs back to the repertoire after a considerable absence...

It is some comment upon the way the Royal Ballet now dances that the MacMillan pieces are given tremendous performances...

The ensemble seemed strong: greater familiarity with the demands—and they were first made in 1937—will surely polish this still beguiling ballet...

My Brother, My Sisters was entirely excellent. Stephen

Jefferies was ring-master to the macabre and incestuous dramas that the family play, and every nuance in these eerie games was caught in his ferocious interpretation...

The ballet is compelling not only for the precision with which MacMillan probes into the psyche of his characters...

And in Elite Syncopations every caper was cut with greatest elegance. Especial thanks to Jennifer Penney as the red-starred girl...

Here's a Funny Thing

BY JAMES FRENCH

Miller's the name, lady, there'll never be another. Max said so. And he was right. But for those who loved the Cheeky Chappie, and those too young to have known Variety's most outrageous comedian...

It is a one-man and pianist entertainment devised by journalist Bill Shakespeare when he was resting from The Times two years back...

Not quite so sure about John Bardon, though. Good lad. Good artist. Good actor. Puts it over well. Stylish. Saucy. But, if you'll pardon the comparison...

Years ago I had a sweetheart whose family record collection included, surprisingly, two 12 inch 78s of Miller at the Holborn Empire...

Twenty years ago I went to the closing night of the Empress, Brixton. Miller was top of the bill. Do you know, the blighter played the first half only and buzzed off. Outrageous!

Brecht's Edward II at Round House. Brecht's version of Marlowe's Edward II opens at the Round House on February 24...

The play has been seen only twice before in London; at the Old Vic in 1968 and, 10 years later, at the Bush Theatre.



John Bardon as Max Miller

Bardon, though. Good lad. Good artist. Good actor. Puts it over well. Stylish. Saucy. But, if you'll pardon the comparison...

Read Miller's patter in print and it seems trite and unamusing. But John Bardon put it over well. Like I said, stylish. But sometimes just a little too quickly. Maxie knew we weren't all as quick as he was...

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Collectors' item

BY WILLIAM PACKER

Paintings for Collectors is the seasonal show at the Roy Miles Gallery in London and though one must be rather in the big league to act upon the suggestion...

What Miles has done has been to bring together some 40 pictures that represent the character of his dealing over the past few years...

Each to his taste indeed, and for my part I would recommend a triple portrait by Alma Tadema, the heads only of the Three Graces...

Remain obscure, or at the very least under-acknowledged. This collection is predominantly of work of the 19th century, and mostly British...

Until I read the small print, I thought we might get some more examination of the pops from Nashville (Radio 4 on Monday)...

Mr Clayton wouldn't talk such nonsense between the discs!—all those superlatives attached to quite simple things...

A poet of another genre is e. e. cummings, as we all obediently write it, though how we are supposed to make it sound any different on the radio...

Notes on a couple of Radio 4 plays. The hero of Diary of Nigel Mole is a thirteen-and-three-quarter-year-old schoolboy...

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Goings and cummings

BY B. A. YOUNG

The new year begins unchanged from the old, except that Radio 1 has inaugurated something requiring us to think. The series on The Record Producers which began on Sunday looked interesting...

I stayed with Radio 1 afterwards, when Peter Clayton devoted a programme to Hoagy Carmichael, whom we mourn. Carmichael was a musician's composer—a jazz musician, I mean—and we had a wealth of music from players like Bix...

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SOLUTION AND WINNERS OF THE CHRISTMAS CROSSWORD

Crossword puzzle grid with letters filled in for the Christmas crossword.

Ms Elizabeth Dodds, Royal Oak House, Rampton, Retford, Notts. Mr P. S. Bagwell, 14 Brent Way, London, N.3. Mr B. S. Crowther, 154 Strines Road, Strines, Stockport. Mrs C. P. Lindsay, 8 Melbury Road, London, W.14.

F.T. CROSSWORD PUZZLE No. 4,767

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

Name Address

Crossword puzzle grid for F.T. Crossword Puzzle No. 4,767.

ACROSS 1 Lars, for example, to examine noise of birds (12) 10 Famous old ship used for everyday crossings (7) 11 Little Irish nurse possibly used to receiving proposals (7) 12 Liberal might be bitter about a particular member (3) 13 Talks idly about pork-pie makers (8) 15 Imbued with ideas and having varied education, including Latin (10) 16 Botham opening to sound of assent—not many of these scored! (4) 18 For stimulus, ring gababout (4) 20 Leo trained, trained as drawer (10) 22 Turner at Lord's in orthopaedic misfortune (3-5) 24 Expensive, say, of Clemens (3) 26 He dispenses articles for the Church Times, but not regularly (7) 27 Early market-day in Rome for sister to take meal (7) 28 Some asparagus by well-known gardener, old Sling (5-7)

DOWN 1 2 Topical tropical air? (7) 3 En. Caruso rendering of "Button-Bright"? (8)

TV/Radio

† Indicates programme in black and white

BBC 1 9.05 am Swim. 9.30 Swap Shop. 12.12 pm Weather. Including 12.45 News Summary; Football Focus (12.30); Racing from Haydock Park at 1.00, 1.30 and 2.00, and from Leopardstown, 1.45. The Sweeps Hurdle; World Cup Skiing (1.05). The Men's Downhill from Marzine; Rugby Union (2.10). The Barbarians v. The Australians; 3.45 Half-time football scores, reports and news; Table Tennis (3.50). Norwich Union English Open Championship plus Tennis; Barratt World Doubles Championship and Darts; Embassy World Professional Darts Championships; 4.35 Final Score. 5.10 The All New Pink Panther Show. 5.30 News. 5.40 Sport: Regional News. 5.45 Kung Fu. 6.35 Jim'll Fix It. 7.10 Nanny starring Wendy Craig. 8.05 The Two Romies. 8.50 Dallas. 9.40 News and Sport. 9.55 Match of the Day. 10.55 Parkinson with guests Plácido Domingo and Jacqueline Bisset. 11.55 Tennis: Barratt World Doubles Championship.

REGIONAL VARIATIONS:—Cymru/Wales. 5.40-5.45 pm Sports News Wales. 5.45-5.45 pm Scoreboard: Sports round-up. 9.55-10.55 Sports scene. 12.55 am News and Weather for Scotland. Northern Ireland—1.55-2.40 pm Racing from Grand Royal (opt-out from Down Road); 5.00-5.10 Scoreboard; 5.40-5.45 Northern Ireland News; 12.55 am News Headlines and Weather for Northern Ireland. England—5.40-5.45 pm (South-West only) Saturday Spotlight. 9.05-9.30 am (North-West only) Grange Hill Christmas Special.

BBC 2 10.10-11.40 am Open University. 12.40 pm Saturday Cinema (1) "No Kidding" starring Leslie Phillips, Geraldine McEwan and Julia Lockwood. 4.05 Play Away.

BBC 3 10.10-11.40 am Open University. 12.40 pm Saturday Cinema (1) "No Kidding" starring Leslie Phillips, Geraldine McEwan and Julia Lockwood. 4.05 Play Away.

BBC 4 10.10-11.40 am Open University. 12.40 pm Saturday Cinema (1) "No Kidding" starring Leslie Phillips, Geraldine McEwan and Julia Lockwood. 4.05 Play Away.

BBC 5 10.10-11.40 am Open University. 12.40 pm Saturday Cinema (1) "No Kidding" starring Leslie Phillips, Geraldine McEwan and

COLLECTING

Nonesuch books for the weekend

BY JUNE FIELD

The train! The twelve o'clock for paradise... or it will try to creep away.

Out in the countryside everyone is wise: We can only be wise on Saturday.

Poem by Harold Monro in The Week-end Book, 1924

THE FIRST Nonesuch Press "Week-end Book" was typical of the generous preferences of its instigators...

Nonesuch, its name taken from the Tudor Nonesuch Palace, which Henry VIII started to build in 1538 in Cheam, Surrey...

who had run three miles across the marsh with the Holy Fathers (or Brothers) at Amberley... And how like a Bible engraving was the whole religious family at that moment!

The picture comes to life in A History of the Nonesuch Press, by John Dreyfus, with an introduction by Geoffrey Keynes...

The business passed into American hands in 1936, but with the help of Max Reinhardt of The Bodley Head...

as the original one was too heavy. With dark red Italian paper-covered boards, it was printed with a wood-cut pattern also used for the endpapers.

A number of superb textures, patterns and colours were worked out for the books, remarkable considering Meynell was partially colour-blind.

Nonesuch books are round for the collector. For instance John Byrne at Bertram Rota has his Miscellaneous Poems of Andrew Marvell...

the two volumes of Don Quixote de la Mancha reprinted in an unaltered edition in 1930 with illustrations by E. McKnight Kauffer...

The Basilisk Press, founded in 1974 by Chateau Garry to specialise and produce in fine quality previously unpublished material which originated in the 18th and 19th century...

after he first printed the book. Standard copies are in an edition of 125, in parchment bound rose paper over board with leather edging...

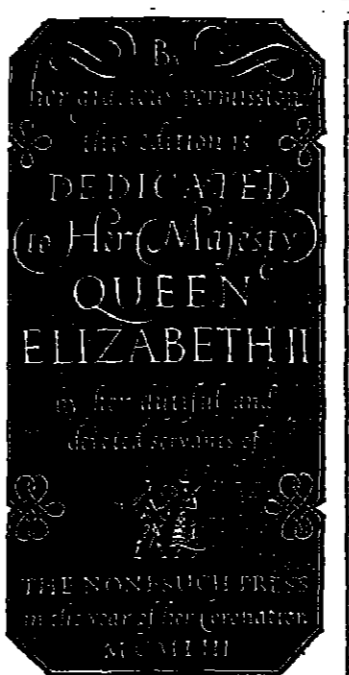


Illustration from Nonesuch Press 'Queen Elizabeth II' produced for Queen Elizabeth II's coronation...

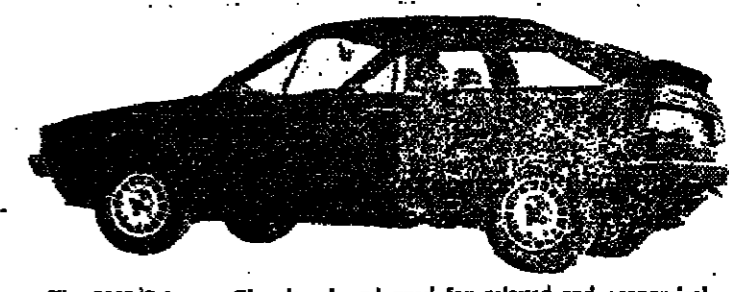
Radical German success

MOTORING

STUART MARSHALL

TO MANY an enthusiastic owner, the idea of anyone trying to improve on the original Giugiaro designed VW Scirocco must have seemed like painting the proverbial lily.

The 1982 Scirocco, newly arrived in Britain, is four inches longer, has nearly two inches more headroom but looks just as sleek as before.



The 1982 Scirocco GL; ultra long-legged for relaxed and economical motorway driving

100 mph, which it will hold on the autobahn continuously, the Scirocco feels as relaxed as a car of twice its engine size.

One doesn't normally buy an elegant coupe if squeezing the last mile out of a gallon of petrol is a high priority.

irritating. On the other hand, there is satisfaction to be had from making sure the warning light does not come on and that the needle keeps to the frugal side of the gauge.

The GL 4+E I drove costs £6,497, which includes integral front fog lamps, headlamp wash system, light alloy wheels and metallic paint.

Sinbad modern style from Oman

STAMPS

JAMES MACKAY

THE VOYAGES of Sinbad the sailor may seem far removed from the scientific expeditions of modern times...

According to legend, Sinbad was a wealthy merchant of Basra who recounts his youthful adventures...

demonstrated that the fabled voyage of St Brendan to America by leather boat could have taken place...

With a scientific team and an eight-man Omani crew, Severin embarked on the voyage which was sponsored by the Omani Government...

on an island which turned out to be the back of a whale. Sad to say, the Sohar expedition found no evidence of whales in the northern Indian Ocean...

Nevertheless the voyage proved, of immense scientific value, testing also the validity of the Sinbad story and the seafaring capabilities of the Omanis...

(26p), and prehistoric skulls (29p). It is likely that the 150th anniversary of the voyage of the Beagle will result in the issue of stamps from the countries visited by Darwin...

Fortunately for those thinking of making a collection of stamps devoted to Darwin, the previous issues are few in number and still relatively inexpensive.

THEATRES

- PRINCE EDWARD, Old Compton St. The City and Andrew Lloyd Webber's EVITA. Directed by Harold Prince. Prices: £5.00...

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published on the following dates:

"SUPERB SPLENDID PLAY" Magnificent New Production Sunday Times. COLIN BLAKELY ROSEMARY HARRIS IN ARTHUR MILLERS'S ALL MY SONS

FINANCIAL TIMES

Published in London & Frankfurt. Head Office: The Financial Times Limited, London EC4P 4BY. Tel: 01-252 3000. Telex: 940000. Fax: 01-252 3000.

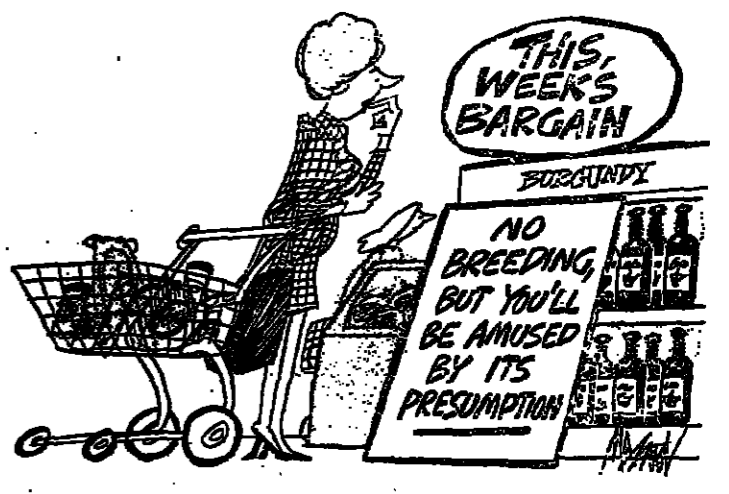
WINE

EDMUND PENNING ROWSELL

FOR SOME TIME, market research has been telling us that more women than men buy wine. What we have not been told is whether more women than men actually choose the wine they buy...

What women buy and drink now

For this reason women do not like separate tills for wines and spirits. Consequently off-licences are at a disadvantage, for it means a separate stop and entry, one, perhaps, that still causes embarrassment to many women...



advertisements put the two recommendations top and Harvey next. The best liked were Martini Extra Dry on the rocks for their simplicity and good taste...

The rising cost of a bargain

By Richard Lambert, Financial Editor

A seasonal hangover

MARKETS ON both sides of the Atlantic have greeted 1982 with a groan and a bleary eye. Like a man with a hangover, they flinch at the faintest sound, and regard with jaundiced scorn anyone who believes it might turn out bright after all. To be sure, the threat of a rail strike in the UK, with possibly a miners' strike to follow, and a bearish forecast from Dr Henry Kaufman on U.S. interest rates are not inspiring thoughts, and it is rational to take account of them. On the other hand, it is rational also to give some weight to the OECD and consensus forecast of a slow but accelerating economic recovery, and the hope of a sharp revival in profits.

It seems, in short, that the market's understanding of the prospect before us is heavily seasoned with disillusion, and this is not surprising. The events of 1981 destroyed a lot of hopes—of peaceful liberalisation in Poland, of Reaganomics, of the beneficial effects of monetarism in the UK. If there is a silver lining to the Polish tragedy, as some experts still argue, it has yet to make itself visible. Reaganomics has now been abandoned by the U.S. Treasury Secretary, Mr Donald Regan, who concedes that something must be done to check the growth of government borrowing.

Reminder

In the UK the bitter lesson has been that not even success in cutting government borrowing is necessarily enough to bring interest rates down. It is no good our getting the balance right if the Americans continue to get it wrong—no good, that is, as long as we continue to worry about the sterling-dollar exchange rate.

The effective collapse of the Smith St. Aubyn, one of the smaller discount houses, is a reminder of the disappointed hopes of the gilts market, the disaster being entirely the result of a very stale bond portfolio of short gilts.

The episode must also call in question the role of the discount houses as the chosen vehicle for Bank of England messages to the markets in general. Their financial role is considerably reduced in the new monetary system, which is much more permissive about the banking reserve assets which the discount houses supply. Selling commercial bills to the Bank of England, the new development in managing the monetary statistics, provides large turnover but at the finest of margins. The houses may well feel driven to seek higher and therefore riskier returns on some of their assets.

This in turn is only a detail in the much wider questions concerning British monetary policy. The attempt to control the broad money supply has never looked convincing since the imposition of the banking corset concealed the true

trends, and its subsequent removal revealed an alarming bulge. The latest development is that the banks are tending to inflate the money supply by bidding house market lending away from the building societies, and the Bank of England is countering by intervening in the bill market to take commercial lending business from the banks.

This strange process may or may not produce acceptable money numbers, but the whole game seems to have drifted out of any contact with real economic problems. The retirement next month of the two senior Bank of England executives most concerned with market management in the last decade may well coincide with the closing of the historic chapter over which they presided.

Evidence

There remains some sporting interest in seeing whether the whole machine of broad monetary control can be maintained in some sort of roadworthy condition while it is driven to the scrapyard or will collapse into a heap of distorted statistics on the way there, but that is about all. Virtually nobody takes the M3 target very seriously any more, and the City would sleep easier and wake feraler if it knew what was to take its place. We seem at the moment to be under some sort of de facto exchange rate target, but even the principle has yet to be agreed, let alone the details. Meanwhile, out in the real world, there is evidence that things are not quite as bad as the present market mood might suggest. Car sales, like exports, are performing rather better than forecast. The Ford workers have settled for peace, if at a price.

There is no reason yet, then, to dismiss all the Government hopes for 1982, of a real revival based on a leaner but more efficient private sector. The prospect of a tax increase in the U.S. may be unpalatable to American taxpayers, but it could forestall the kind of crisis of confidence which raised U.S. interest rates to such a damaging peak last autumn.

Consensus

This fact, coupled with a revived interest in UK securities from British institutions, who have made a large portfolio adjustment to build up their foreign holdings, should make for a less disappointing market this year. The consensus view of the City, according to Messrs' latest institutional poll, is for a distinct if modest advance in the gilts market this year. This hope may not be warming us much at the moment, but it does call for a big improvement over the performance of the last two years. If the market regains the confidence to back its own forecast, 1982 should not prove quite so bad as it seems to look now.

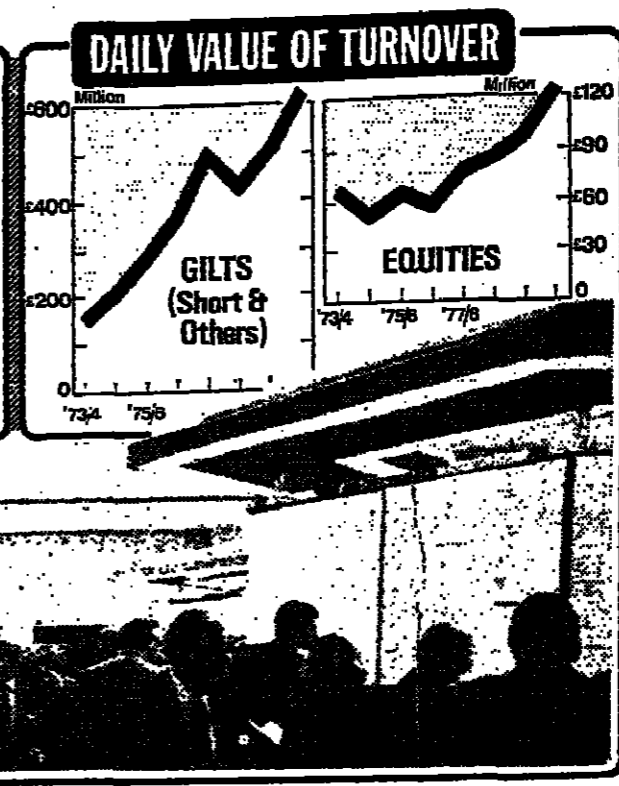
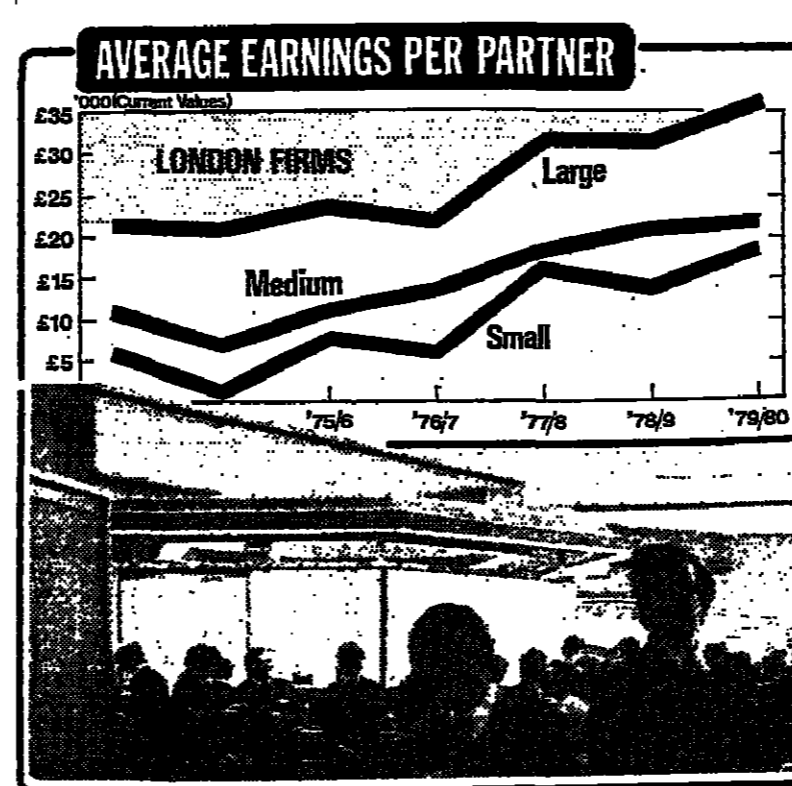
STOCKBROKERS BANK

somewhere along with mothers-in-law in popular opinion polls. Although the business has changed radically in the last decade, the caricature figure remains: overpaid, underworked, and perhaps just a little bit "fiy". Given this unflattering image, the Stock Exchange Council faces a tough task with its proposals—published yesterday—to increase the minimum rates which brokers must charge for their services. It has to balance the interests of its members—who elect the Council—against those of investors and the public generally.

The Stock Exchange offers what is in many respects a monopoly service—and a profitable one, at that. If it was seen to be making too much money, its powers to fix prices would inevitably be challenged. But if members feel they are not making enough, they could get themselves a new Council—or take up vegetable-growing.

This is an especially sensitive time to be talking about higher commissions. Two things have happened since the last rate increase, in 1976. The abolition of fixed commission rates on Wall Street, which took effect a year earlier, did not turn out to be the disaster for the brokers that at first seemed possible. On the contrary, the broking business is in a much more healthy—albeit slimmer—shape than it was six years ago.

Secondly, the Office of Fair Trading has mounted an attack on the London Stock Exchange's



Bob Hutchinson

would not be prepared to contribute towards a fund to protect the clients of firms that priced their services irresponsibly.

But while holding unwaveringly to its faith in minimum commissions, the Stock Exchange has realised that it can no longer raise its prices without so much as a nod to its customers. This explains why it is inviting the widest possible comment on yesterday's proposals, and why it has gone to unprecedented lengths in an attempt to justify the increases.

This takes a little doing. The daily value of turnover in gilts has exploded in recent years, and although equity business has been less buoyant, it has still been broadly maintained in real terms over the last four or five years. Since commission is levied as a percentage of turnover, why the need for any increase at all?

The answer is that the charges are made on a tapering

scale. At the present rates, a small equity bargain will be charged at 1 1/2 per cent whereas the rate on a very big deal will be just 0.125 per cent. As the size of bargains has increased over the years, the "top slice" of business has moved into a band carrying a lower rate of commission.

The review indicates that between 1975-76 and 1979-80, the net commission income of a typical large firm in London rose by something like two-fifths to just over £4m. This is noticeably less than the rate of inflation.

It also shows that gilt-edged is more profitable than equity business—and that the big increase in gilt-edged turnover has been concentrated among relatively few broking firms. But maybe brokers were just making too much money in the first place. Anticipating this criticism, the most revealing part of the review is given over to an attempt to refute the

idea that brokers are overpaid. Part of the exercise consists of figures showing the average earnings for each partner in different categories of firm. The sums are not precise. They show the total revenues of firms in the sample, less their total expenditure, and a further notional sum representing interest on partners' capital. That net earnings figure is then divided by the total number of partners, including those who are paid a salary.

On this basis, the average remuneration for each partner in 1979-80 was £26,470. The figures are not available for 1980-81, which would have been a much better year.

That does not sound like penury. There are over 2,000 partners in the Stock Exchange, out of a total workforce of under 15,000. For comparison, ICI—with a workforce in the UK six times the size of the

entire broking sector — had just 1,100 employees earning more than £20,000 last year.

But of course wages in the City have usually looked very attractive compared with those available in industry. The review quotes an analysis by Hay/MSL of salaries in the financial sector, excluding broking firms. Half-way through 1981, the median salary for a top management post (below board level) in medium or large financial concern was £21,000.

This was a base figure, and did not take account of such perks as cheap mortgage facilities and motor cars, which were apparently worth no less than 45 per cent extra on the salary.

The review suggests that perks are less generally available to partners in broking firms. More importantly, it also points out that the partner in a broking firm has to take unlimited liability for all the

obligations of the firm. The rewards may be large but—as the partners in Hedderwick Stirling found out—so are the risks.

Relative to inflation, the average earnings of Stock Exchange partners have held up reasonably well in the past few years. But this has not been enough to maintain the capital base of the sector in real terms. Partners have bolstered their take-home pay by leaving less money in the business. Wealthy partners have retired, and been replaced by younger members with less capital to offer.

Inflation has bitten into the capital structure of pretty well all financial companies, and the brokers are no exception. It is a volatile business, and firms need adequate backing to see them through bad times with a reasonable safety margin. The Stock Exchange's main argument for higher commission rates is that the erosion in the brokers' capital base must at least be checked.

However, when it comes to specific recommendations for rate increases, the review is less well documented. The decision to put the main burden on smaller investors is not supported by any detailed cost analysis, but simply on the "universal agreement" among members that commissions are too low to cover the costs of processing small bargains. That may well be true, but it is also the case that small investors are less well placed to argue their case than the big institutions.

Not all of the large groups will be happy, either, for the

Main burden of increases on small investors

analysis of revenue and profits is not nearly as detailed as some had hoped. For instance, Mr George Dennis, of the Post Office pension fund, had called for a breakdown showing whether investors were subsidising non-stockbroking activities.

The review has also dismissed those who favour the "unbundling" of commissions, aimed at getting rid of what Mr David Malcolm of Royal Insurance calls "all the rubbish research work." He would like to have a reduced commission for dealing and settlement and pay separately for the research which he thinks is worthwhile.

Against this, the Stock Exchange argues that the commission covers a package of services, including advice—and that cannot in practice be separated from research. Most big investors probably favour the retention of a minimum scale of commissions, but have some doubts about the way the overall package is structured. The next few weeks will show whether the Stock Exchange has gone far enough to convince them—and the wider investing public—that the proposed changes are necessary and desirable.

Turnover in gilts has exploded in recent years

rule-book. The case could come before the Restrictive Practices Court somewhere around 1984—and is bound to involve a particularly close study of the commission structure.

It may seem odd that this bastion of capitalism should not allow price competition among its members. The Stock Exchange defends the minimum commission structure on two main counts. The first is that the so-called "single capacity" system—whereby brokers may only act as agents earning commission income and jobs as principals making profits by dealing on their own account—would come under intolerable pressure if commission rates became subject to negotiation. The brokers would want to get their hands on a slice of the jobbers' profits—and the jobbers would respond in kind. In most of the world's stock exchanges, brokers act as both principals and agents. But the London authorities say that the separation of capacity provides a better assurance of a continuous, efficient and fair market.

The second argument is that if minimum commissions were abolished, it would become impossible to run a compensation fund to protect the clients of firms that go bust. Members

How Wall Street lived with competition

THEY STILL remember "Mayday" on Wall Street—May 1 1975, when fixed rate commissions were abolished. The wave of competition that was then unleashed has not only held down commissions and brought all sorts of new services in the fight for clients. It also spawned a new sector—the discount brokers, which offer no frills services at bargain prices, and probably now control about a tenth of the market.

A lot of firms could not stand the pace. Some went under, and others collapsed into the arms of stronger merger partners. Wall Street today is a chastened but stronger band of brothers. Merrill Lynch, the giant of the business, is capitalised at well over \$1bn, with several

other firms in the \$500m to \$1bn range. The recent rash of acquisitions by outsiders of Wall Street firms has underlined the appeal of the broking business in the financial services boom.

The Securities and Exchange Commission says that Mayday has greatly reduced commissions for institutional investors, and cut them somewhat for large private investors. Fees for smaller bargains have gone up, but not by as much as

inflation. In most other markets in the world, fixed commissions are still the rule, with some modest variations. For instance the bank commission in Germany is negotiable on large deals.

If the proposed changes are approved, commission rates in London will be relatively high for the smaller investor. A \$5,000 deal in equities will cost £87.50, compared with about £57 in Japan. But the bigger deals look more competitive. A \$50,000 bargain will cost £840.50 and one of \$100,000 will carry a commission of £590.50. That compares well with most places in stock exchange markets apart from Hong Kong and, after allowing for the discount, probably the U.S. as well.

Bargain	£5,000	£10,000	£100,000
Australia	£112.50	£675	£1,175
Japan	£57.25	£422.50	£769
Hong Kong	£25	£250	£500
South Africa	£42.50	£425	£850
Germany	£50	£500	£1,000
U.S.†	£87.50	£450	£900

† In the U.S. the average full commission is subject to reduction by negotiation.
Source: Rowe and Pitman.

Letters to the Editor

Shortage

From Dr J. Scarborough
Sir,—For the past 12 months we have been seeking both qualified electronics development staff and sales engineers, not only by advertising nationally in the Press, but also by direct approaches to suitable well-known companies currently involved in massive redundancy exercises. The remuneration packages offered have been competitive when measured against published data.

The results have been utterly depressing in terms both of the number and quality of applications received. On the sales side applicants rarely seem able to sell themselves in either their application forms or interviews—what hope then for them selling our products? On the technical side we have found aspiring PhDs in electronics quite unable to solve simple electronics design problems and we cannot afford engineers who are capable of dealing only with the more esoteric elements of design.

If the nation's economic salvation is indeed dependent upon companies such as ours then our experience bodes ill for its future prosperity. The country's education system has for some time been producing either a sub-standard product, and/or a product with skills for which the employment market can find no ready use. Those with the required skills either lack the boldness to accept the challenge and excitement that a small high technology company offers, or, because of their scarcity, command a price far in excess of the supposed going market rates. Our frustration must be shared by many companies similar to our own.

I would ask politicians and educationists alike to replace well meaning words with practical action to alleviate these shortages. To those who have the necessary skills, please be prepared to accept the challenge a small company offers—any imagined risk is amply offset by increased job satisfaction and the potential promo-

tional and financial rewards.

If we can restore the relevance of our educational system and rekindle a spirit of adventure in its products then we at least have two important ingredients in the recipe for success.

J. Scarborough (Dr),
International Electronics,
Woodbridge,
Huntingdon, Lancs.

Small

From Andrew Hertz
Sir,—It is not surprising that Mr Tim Dickson (January 5) believes that Lord Lever's proposals for the revival of the small business sector accord more closely with Alliance principles than with Labour policy. It was, after all, the Parliamentary Liberal Party which, during the Lib-Lab pact, forced the Labour Government to appoint Harold Lever to oversee all matters affecting small firms.

Andrew Hertz
(Parliamentary Assistant
Liberal Whip's Office),
House of Commons, SW1.

Futures

From Dr G. Gemmill
Sir,—David Lascelles (Lombard, December 17) argues that "the whole interest-rate-futures business is getting out of hand." While I would agree that the enthusiasm of the Americans for these markets is quite remarkable, and the public benefits of all this activity are probably minor, his article contains three fallacies.

The first is that futures markets somehow "anaesthetise risk" which is in conflict with the teaching of Reaganomics which extols the virtues of taking risks. Futures markets do not reduce risks (except to the extent that they stabilise prices); they merely exchange and spread risks. His argument could be used equally against an insurance market such as Lloyd's, thus demonstrating its absurdity.

The second is that the existence of such exotic contracts as those proposed for a stock-

index or the consumer price index (CPI) can in some way be harmful. For example, he asks: "Why should governments toil to combat inflation if the population is happily hedged against the next rise in the CPI?" Why indeed? If some of the people want to hedge against inflation, at a cost, and others agree to accept the risk in the expectation of a profit, can that be bad? Since markets generally do not exist as a result of government action, it is likely that CPI futures would give predictions at least as useful as those of the London Business School, National Institute of Economic and Social Research, and Treasury. It is disingenuous of Mr Lascelles to suggest that there would be no short hedgers in CPI futures: the futures price would usually stand at a premium and the shorts would profit if the rate turned out to be less than that premium. If I offer Mr Lascelles a forecast (premium) of 20 per cent inflation for the coming year, will he not be willing to go short against me?

This leads me to the third fallacy, which is that settlement of futures contracts in cash is gambling. Does he not realise that more than 90 per cent of futures contracts are closed-out early and settled in cash already? It makes no difference if 100 per cent of contracts are settled in cash, as long as the settlement price accurately reflects conditions in the spot market. The fact that you settle in cash does not mean that you are not hedging; 100 per cent cash settlement does not now occur because the law says that delivery of the commodity must be possible, otherwise the activity is deemed to be gambling. This law is pure hypocrisy. It prevents the exchange of risks between willing parties, because it cannot find a better definition of gambling.

A change in the law would allow futures trading to begin in a variety of indices, including the retail price index and

possibly a housing index, and we would in my view be in the public interest.

(Dr) G. T. Gemmill,
City University Business School,
Barbican Centre, EC2.

Uncertainty

From Mr A. Goodes
Sir,—Mr Brittan describes Goodhart's Law (Lombard, December 29) as "any indicator becomes distorted once it is used (the article wrongly said doctored) as a policy target" and his own version of this Law in reverse, viz: that once the indicator ceases to be an official target, it resumes its former role as a guide to economic behaviour.

It may be as well to remember that a certain Werner Heisenberg proposed the Uncertainty Principle in 1927, albeit in the realm of nuclear physics: "It is impossible simultaneously to determine exactly both the position of an object and its momentum." Roughly translated into economic terminology this becomes: "It is impossible to observe an indicator without disturbing that which it intends to measure." It follows from this that the closer an indicator is observed, the more disturbed are the objects of measurement.

Due credit though to Dr Goodhart who says himself that he is reluctant to take the credit for his Law.

Alf Goodes,
6, Cross Street, Farnborough,
Hants.

Milk

From the Chairman, Healds Dairies
Sir,—Milk distributors are not lobbying intensively for a price rise (December 23), costs are rising but not soaring. The Binder Hamlyn investigation has nothing to do with the split of the retail price between producers and processors. It is necessary that a costings system exists and that it should be examined periodically since the retail price is fixed by the

Ministry of Agriculture and we have to buy our milk also at fixed prices, from the friendly Milk Marketing Board monopoly which is now a direct competitor in both liquid and manufacturing markets.

Richard Mooney is correct in saying that liquid sales have declined. The reason for this is widely known but rarely reported. Milk production has increased dramatically in the last 10 years and most of the increase has been manufactured into butter and cheese, giving the Board a return far lower than the liquid market and so diluting the wholesale producer price. Because the distributive industry is efficient, low-cost and well managed with super loyal people at all levels, it is much easier for the Minister, the Board and the NFU to try to obtain what they say can not from manufacture through an excessive retail price hence lower liquid milk sales.

John Heald,
Healds Dairies, Didsbury,
Manchester.

Literature

From the Editor, Orbis
Sir,—I think that the letter of the secretary-general of the Arts Council (December 30) requires certain amendments. Literary magazines have died over the years, either because grant aid has been refused in the first instance, because what has been given has been too small to make any useful difference, or because a grant has been withdrawn. Apart from the half-dozen or so magazines supported by the Arts Council, most magazines do lose money. Ask any editor!

The conditions under which grants are awarded are unusual, to say the least. In a letter to me earlier last year, an Arts Council representative stated: "... the Arts Council has to limit the grant-aid it gives to magazines to those that have a national coverage and a commensurate number of subscriptions..." prompting me to ask how rich a magazine must

become before it qualifies. The amount of Arts Council money devoted to literature is derisory. According to its last set of accounts, no more than 1.2 per cent of expenditure went to literature as a whole, and only a quarter of that on supporting magazines!

Grants are withdrawn from magazines, usually because it is felt that a magazine has had its chance and should be self-supporting, but the same criteria do not seem to be applied to other forms of artistic endeavour.

It should not be surprising therefore that magazines fail. They lack the means to promote themselves effectively, their subscription lists dwindle, they do not attract advertising revenue, and it only takes the withdrawal of a grant to complete the process. Unless something is done to relieve this literary poverty trap, more magazines will die.

Mike Shields,
199 The Long Shoot, Nuneaton,
Warwick.

VAT

From the Chairman,
HM Customs and Excise
Sir,—On January 2 you published a letter from Mr H. Mainz relating to VAT repayments in which he stated that he was informed that repayment claims would only be processed after a delay of 30 days. This is not the case. Clearly a misunderstanding has arisen between Mr Mainz and us, and we are writing to him to sort it out. But I should like to assure you that Customs and Excise are well aware of the importance of making prompt repayments of VAT when due and it is our aim in normal working conditions to make such repayments within 10 working days of receipt of valid claims. Delays do occur on occasion when queries arise but our 10-day timetable is indeed achieved in over 90 per cent of cases.

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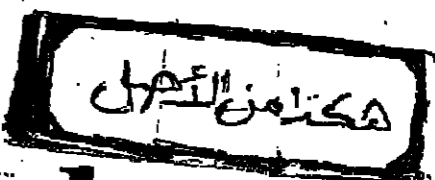
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All aspects of option trading for investors of any level of expertise are covered. The first two chapters trace the history of options and introduce the basic terms used. The following chapters provide a detailed guide for the investor to the buying and selling of both call and put options, giving practical advice on the option to choose, the timing strategy to adopt and covered in detail. For the experienced investor, some more advanced and sophisticated option strategies are explained.

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Makers adjust their sets for a boom

FOR BRITAIN'S retailing industry, the sluggish pre-Christmas season proved an appropriately dismal end to a year that most concerned would rather forget. But in striking contrast to the gloom overhanging sales of many other consumer products, the UK television market was quietly completing one of its best years ever.

The British Radio Equipment Manufacturers' Association (BREMA) estimates that colour set shipments last year totalled more than 2.1m units. It forecasts a further rise to above 2.2m units this year. Black and white set shipments have remained buoyant too: about 1.5m were shipped last year.

These figures may not quite match the even more phenomenal success of personal computers — Sinclair Research, manufacturer of the £70 ZX-81, says that it is selling almost 50,000 of the machines a month. But they have exceeded only twice, in the "Barber boom" years of 1973 and 1974.

In West Germany there is a fierce price war

when colour set shipments reached 2.8m and 2.3m respectively.

The British market is exceptional. Television sales have been weak in most other West European countries. In West Germany, conditions have been poor for more than 18 months, and suppliers are engaged in a fierce price war in an attempt to reverse a steady build-up in stocks.

The resilience of UK demand is a godsend to some major manufacturers. "If I hadn't got the consumer business, I wouldn't be so happy," says Mr

Ivor Cohen, managing director of Muirhead, the diversified electronics manufacturer which is the only company still producing television tubes in Britain.

The picture has been brightened further by a sudden surge of demand for sets equipped to receive teletext services like the BBC's Ceefax and ITV's Oracle. These use spare capacity on normal broadcasting channels to transmit "pages" of computerised information such as the news, weather forecasts and sports results.

More than 300,000 teletext sets are now in use in Britain, more than in any other European country, and the number is expected to be close to 1m by the end of this year. But though teletext has been operating since the mid-1970s, most of the sets currently in use have been installed during the past 12 months.

The upturn is particularly welcome news for Britain's Elze television rental industry, which supplies more than half the televisions in the country. Already encouraged by the success of their video recorder business, the rental companies are counting on teletext sets to give a further boost to a market which has started to show signs of flattening out.

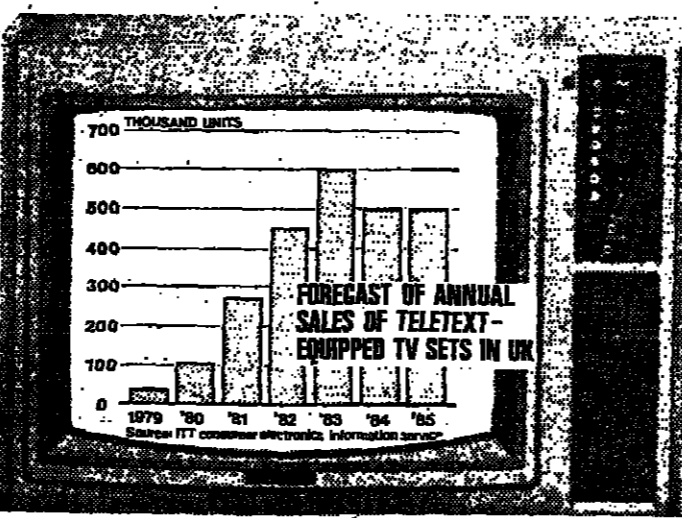
During the early 1970s, when colour televisions were still a novelty, most viewers preferred to rent their sets. But falling retail prices and improved reliability have made outright purchase a more attractive option for many recent customers. Moreover, the rental companies — like European television manufacturers — were slow at first to respond to the shift in consumer taste towards small colour sets.

Now the balance seems to be swinging back. More than two-thirds of teletext sets are rented. Thorn Rentals, which operates Radio Rentals, DER, Multibroadcast, Rumbelows and Southern, says that most of the new sets going into its showrooms are teletext-equipped.

"The classic pattern is repeating itself," according to Mr Brian Quilter, deputy chairman of Granada Rentals. "The rental industry is uniquely placed to bring in new technology. Colour sets came in through rental, and the same is proving true of teletext."

Teletext sets also provide useful extra margins for manufacturers and retailers alike. They sell for about £80 and rent for about £2 a month more than equivalent remote-control televisions, and the cost of the special microchips fitted to them is likely to fall as production rises.

But teletext sets still account for less than a quarter of new colour televisions being shipped. The industry attributes



The picture has been brightened by demand for sets equipped for teletext

much of the underlying strength of the broader market to a cyclical surge caused by replacement of sets acquired during the "Barber boom," when consumer spending was running at an exceptionally high level.

Mr Derek Clark, television products manager of Thorn Consumer Electronics, estimates that of the 1.5m large-screen colour sets expected to be supplied this year, as many as 1.25m may be "Barber boom" replacements. Mr Cohen of Muirhead expects replacements to continue to underpin the market for the next two to three years.

Many in the industry also believe that, perversely, the recession may be helping. Though their analysis is based more on intuition than hard statistics, they suspect that consumers are stretching their pay packets by cutting down on

visits to cinemas and theatres and spending more time and money on home entertainment.

The reasons for the success of teletext are less hard to fathom, however. They owe much to an unusually effective joint effort to stimulate the market, which has involved collaboration between the Government, broadcasting organisations, set manufacturers and retailers.

A number of different steps have been taken. They include a cut in the minimum deposit required for rented teletext sets, joint promotion of teletext by the BBC and ITV, official permission for ITV to sell advertising on Oracle and changes in the Home Office rules to allow faster teletext transmission.

The campaign reached its climax last October, designated as National Teletext month. The Industry Department spent about £300,000 promoting teletext through retail outlets, while manufacturers ensured that there was an ample supply of suitable sets on tap. More than 80,000 sets were shipped in September and October — almost double the number in the first half of the year.

Meanwhile, the range of information available on teletext is being steadily expanded to include financial market reports, shopping guides and subtitles for the deaf. It seems likely to get a further boost this year, when the BBC starts to use Ceefax to transmit information to viewers taking part in its planned micro-computer training course.

Britain's decision to push ahead with teletext is also opening up export opportunities. Muirhead, the major source of teletext microchips, says that it is selling about one third of its production abroad. Both U.S. broadcasting companies and Japanese television manufacturers, which have not

developed teletext systems of their own, are showing interest in Britain's technology.

The success of teletext to date contrasts with the largely unsuccessful efforts to promote British Telecom's Prestel view-data as a consumer service. In spite of a massive marketing effort last year Prestel has still attracted only about 13,000 subscribers, almost all of them businesses.

Though Prestel is more sophisticated than teletext because it allows two-way communication with a central computer, it is also more expensive. Set prices are higher and there are charges each time the service is used. The teletext experience suggests that while consumers are becoming used to receiving printed information on their television screens, they are not yet prepared to pay for it.

If there is one cloud on the horizon, it is the Government's decision to start phasing out this year the capital allowances from which television rental

Europe's makers scramble to regroup

EUROPE'S television industry has been going through a period of very painful re-adjustment as it has tried to come to terms with worldwide over capacity, too many small and uneconomic units and continuing ferocious competition from Japan.

The British industry stands apart from the rest. Like other European countries, Britain has seen television factories close and household names withdraw from the industry. But unlike the others there has simultaneously been a surge in investment by Japanese companies.

The result is that, with one notable exception, the British television industry is no longer very British. Five—soon to be six—Japanese companies, one Dutch, one U.S. and a Taiwanese company make the majority of televisions in the UK.

Sony, the first Japanese company to set up its Bridgend plant in 1974, it has since been joined by Matsushita (National Panasonic), Toshiba, Hitachi, Mitsubishi and most recently Sanyo. Meanwhile Rank and Decca have both withdrawn from the market after huge losses.

But Thorn-EMI survives and is the single largest producer in the country, making nearly 700,000 sets a year. Two other British companies make colour televisions, Rediffusion and Fidelity Radio.

Elsewhere in Europe the situation has been changing fast:

- Philips, the Dutch electricals giant and the largest European producer of colour televisions, has closed three of its nine European television tube factories, and one set factory (at Lowestoft in England) in the last year.
- Thomson-Brandt, the French group which embarked on an aggressive expansion through acquisition with the encouragement of the previous government, has had to reorganise itself. Most of the changes have been in its two acquired German subsidiaries, Saba (which it bought from General Telephone and Electronics in 1980 and which has the second largest share of the German market after Grundig) and Nordmende (bought in 1978).
- Thomson-Brandt has also recently announced it will close its tube manufacturing plant in West Germany which is part of its subsidiary Videocolor. Thomson-Brandt recently took over the shareholdings of AEG-Telefunken and RCA in Videocolor, the only European tube manufacturer other than Philips.
- Grundig of West Germany has been forced into an alliance with Philips which now owns about 25 per cent of the German company. Philips' action was prompted in part by the fact that Grundig is a major buyer of its tubes. AEG-Telefunken has also had serious problems.
- Philips and Grundig now dominate the Italian market which has seen a number of companies, including Vossloh and Emerson, withdraw from colour television production.
- ITT, the U.S. company which operated across Europe, has also been reorganising. It has concentrated all its production of television chassis in one modernised plant in West Germany where it produces 1m units a year. It has cut a number of European plants, either by selling or closing them.

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Jason Crisp

Weekend Brief

They're still wild about Harry's

Across the herring pond, fish and chips are booming. Chasing with names like Long John Silver and Captain D are spreading the traditional British fare across most of the U.S. Icelandic cod is sought like gold once was in California — Americans like it because they like fish that doesn't taste like fish. U.S. fish and chip wachers said:

But recently the marketing problems of the Philadelphia-based Arthur Treacher chain of "chippies" have made front page news in the U.S. business Press and 10,000 small traders in Britain could probably tell the Americans how they are getting fish and chips wrong.

An old Yorkshire fish-frier sniffed derisively when told the American news. "They call it fast food over there, don't they? It's not. It's bloody slow food if you prepare it properly. And

the Yanks talk about 'sophisticated marketing'! There's nowt sophisticated about fish and chips."

Derek Gulland, general secretary of the Leeds-based National Federation of Fish Friers, which embraces 4,000 of Britain's 10,000 fish and chip businesses, wouldn't go so far as that. But he says: "We still find over here that the fish and chip business doesn't lend itself to chains and franchises—it is still basically a family business. A husband and wife can make money, but only if they have the kind of dedication you expect of a good pub landlord and his wife."

Fish and chips are booming in Britain, too. In recent years the traditional corner "chippy" did lose trade to the new Chinese and Indian takeaways, but there are signs of a return to fish and chips, particularly in areas badly hit by the recession. The business normally booms during a recession, particularly in the days when fish was a cheap food.

Gulland reports that turnover among his 4,000 members has increased—a real increase, too, because prices haven't risen very much. The federation's strongest areas are in the north, where fish and chips are still really cheap and haddock is preferred to cod. "You'll pay perhaps £1.20 for a takeaway in London, in Leeds the price is still around 40p."

Connoisseurs will argue that



the product is better in the north. Some people say it's the beef dripping used in the cooking as against the south's oil. My Yorkshire fish frier said: "There are beef dripping people and hard vegetable fat people. The hard fat is most common today, but I'm a beef dripping man. And we take the skin off the fish, unlike those lazy b—s in the south."

The north, of course, has the industry's flagship, Harry Ramsden's, claimed to be the world's largest fish and chip shop, on the main road between Bradford and Leeds. Ramsden, now dead, was a back street fish shop man who set up his handsome catering complex in the early 1930s, the first man to take fish and chips up market.

He did well enough to celebrate his 50th year in the business, shortly after the war, by selling fish and chips for 1ld a portion for one night—the going price when he first

opened a fish and chip shop. Ramsden's still boasts of the queues of tourists for its restaurant and the secret ingredient in the batter. (My grandmother, a fine amateur frier used a pinch of bicarbonate of soda and always claimed Harry Ramsden pinched her idea.)

One of Ramsden's ladies said: "No, we're still not licensed. It wouldn't fit in with our family image. We serve our fish and chips with tea and bread and butter. And we *mush our own mushy peas*."

British fish and chips have come quite a long way from the back streets. A lot of businesses have stayed there, or branched out into shopping suburbs. "But we couldn't compete with the McDonald's and the pizza palaces for prime High Street sites—the rentals are too high," one shop owner said, adding, "But we're not doing too badly."

The MI5 disinformation industry

Question: Who enjoys a punch on the nose?
Answer: A publisher, particularly before publication.

Eyre Methuen is publishing *The Great Spy* by Leonard Mosley (£7.50) on January 18—and already the book has caused a barrage of criticism.

Who worries about embargoes when publicity—including the

emergence from the shadows of wartime Secret Service men to shout that honour has been bestowed and lies have been told and when BBC television exposure has been given?

Mosley's book—classified as non-fiction, a decision which puzzled the FT's would-be reviewer among others—is about the man he claims was Nazi Germany's only undetected wartime spy in Britain, who, he suggests, Philby ultimately recruited into Soviet service.

Ex-Secret Service wallahs are angry about the suggestion that some of them also did a bit on the side for the Russians and the distinguished jurist Ewen

Montagu (misspelt in the book) claims it has 35 major errors and completely misrepresents Philby's intelligence role.

So is Eyre Methuen doing anything about the counter-intelligence chappies' call to halt publication—or, at least, classify it as fiction? "Heavens, no," says publicity director Christopher Falcus. "We are standing four-square behind Leonard. Publishers back their authors. MI5 is not an information industry—it is a disinformation industry. Authors are an information industry."

Mind you, Mr Falcus would not reveal what the print order

for *The Druid* was. However, he did admit that since the controversy had broken, orders from booksellers had hotted up.

Eyre Methuen chairman Michael Turner admitted that the rumpus had blown up quickly.

Of course, the company has asked Mosley for his comments. Maybe he did not have his old Daily Express colleague Chairman Pincher to mark his card about counter-intelligence matters—but he says he is in correspondence with the traitor Philby.

As they say in Yorkshire, where there's muck, there's brass.

Religious revival in China

Dr Robert Runcie, the Archbishop of Canterbury, arrived in China yesterday, the first top Anglican to visit the country since the Communist takeover in 1949.

During his two-day visit he hopes to talk to Bishop Ding Guan Xun, Chairman of the Chinese Christian Council, in Nanjing in Central China.

Dr Runcie will find encouraging signs of a religious revival in China since Chairman Mao died in 1979. In Kunming in South-West China recently workmen were repairing a protestant church on one of the main streets—one more of the hundreds of newly opened shrines of all denominations.

At the Buddhist Dragon Gate Temple overlooking Kunming Lake a whole complex of monastery buildings was being refurbished. The newly gilded carving and brilliant tiled roofs shone in the evening sunlight amid a chattering flock of local sightseers.

Even the Communist Party

elderly, the future of the church has begun to look more promising with 19 students training for the ministry at Nanjing Theological College. Bishop Ding recently lectured at Nanjing University on Christianity and Marxism and drew an audience of a thousand people.

The outlook for Catholics is more problematic. Peking's Catholic cathedral is packed on Sundays with devoted Chinese of all ages and dozens of other Catholic churches are open. But these are run by the Chinese Catholic Church which split off from Rome in the 1950s. Many Catholics faithful to the Vatican were imprisoned and the bitterness of the rift still affects Chinese church life.

The Vatican's tentative olive branches proffered in 1980 through the visit of two European cardinals have so far come to nothing. Indeed the situation grew worse last year when Bishop Deng Yiming of Canton (a Rome loyalist who had only recently been freed from prison) was created Archbishop by the Pope. Peking denounced the appointment as foreign interference.

But in recent years Peking's policy has been to heal the rifts in society caused by the injustices of the "cultural

revolution" by encouraging minority groups to join the nationwide effort towards modernisation.

There is a tough core of devotees in all religions. They kept their heads down during the "cultural revolution" but emerged in surprising numbers at the end in 1978.

Religious belief is permitted under China's present constitution and where there are important minorities, (especially Moslems) it is no bar to mid-level promotion or even to Communist party membership, though this is clearly a matter of some debate.

Buddhism and Islam have the useful side effect of smoothing relations with the Asian and Middle Eastern countries which practice the faith, though Peking must always keep a wary eye open for radical pan-Islamic movements. By the same token, while liberal attitudes in Peking continue, the rehabilitation of Christianity has helped to broaden China's links with the West.

Contributors:
Alan Forrest
James French
Colina MacDougall

TODAY: Harrogate International Toy Fair opens (to January 14). International Boat Show, Earls Court (to January 17).

TOMORROW: Stationery Industry Exhibition opens, Grosvenor House, London (to January 13).

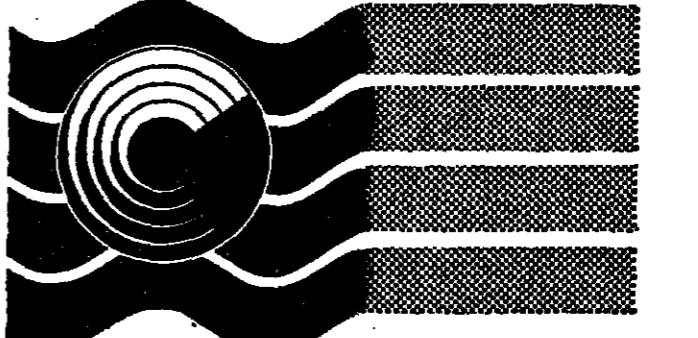
MONDAY: Personal sector account and industrial and commercial companies appropriation account for third quarter. November final retail sales figures. Hire purchase and other instalment credit business for November. December provisional wholesale price index numbers. Central bankers meet in Basle. Mr Alexander Haig, U.S. Secre-

tary of State addresses Nato Foreign Ministers special meeting to discuss Polish crisis, Brussels. Mr Nigel Lawson, Energy Secretary, speaks at Coal Industry lunch, London.

TUESDAY: Building societies' monthly figures for December. Central Government transactions for December (including borrowing requirement). Extraordinary meeting of Greater London Council to decide on action to be taken following Lords' "Fares

deposit for mid-December. National Union of Mineworkers begins two-day pithead ballot on pay claim. EEC two-day seminar on energy begins, Baden-Baden, West Germany. McDonnell-Douglas meets international airlines to discuss problems of DC10 aircraft, Los Angeles.

FRIDAY: December retail prices index. Tax and price index for December. Usable steel production figures for December. EEC Foreign Ministers start two-day meeting to discuss Poland and Market reform, Brussels. U.S.-EEC-Japan two-day trade talks open, Miami.



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Information for Exhibitors contact- Mrs. Fran Foster
Information for Visitors contact- Mike Coverdale

Industrial & Trade Fairs Limited,
Radcliffe House, Blenheim Court, Solihull B91 2BG
Tel: 021-705 6707



Satellite TV placing raises £4m

Satellite Television, Britain's first satellite broadcasting company, has raised £4m by a placing of convertible unsecured loan stock.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date, Correlation, Total, Total last year.

The new investors in SATV have holdings varying from 1 per cent to 10 per cent.

The revised terms, which are stated to be conditional on a recommendation from the London Shop board and on shareholders not approving the proposed merger with Beaumont.

LRC buying Napcolour for £4.5m

LRC International, the rubber mouldings and pharmaceutical products group, is paying some £4.5m for Napcolour, one of Britain's largest photo processing businesses.

The purchase consideration will be provided from the existing resources of LRC.

Profits of Napcolour before management charges, tax and extraordinary items, fell from £1.06m to £512,000 in the year 1980.

expecting a peak year in 1981/1982. The merger will provide LRC with national coverage while the addition of Napcolour's Preprint operations will enhance the presently limited involvement of United Photographic on the Continent.

Low value put on Ashton gems

LATEST VALUATIONS placed by De Beers' Central Selling Organisation on samples (13,240 carats) of diamonds from the big AK1 diamond pipe at the Ashton discovery in Western Australia range from U.S.\$7.75 to U.S.\$8.40 per carat.

This will then have to be approved by the Western Australian State Government. A decision is expected within six months.

begin in preparation for a decision to go ahead with the design and construction of a large scale commercial treatment plant.

R. H. Lowe down at year-end

A SEVERE reduction from £718,921 to £241,313 in pre-tax profits is reported by Robert H. Lowe and Company.

With these factors in mind, the board has every reason to look forward to a satisfactory year's trading, providing the economic climate remains favourable.

London Shop rejects improved bid

London Shop Property Trust, which is in the process of merging with its sister company Beaumont Properties under a £21m agreed offer has rejected an improved offer from Rosehaugh Company, the property company headed by Mr Godfrey Bradman.

that they would "give urgent consideration to any revised proposals in the light of pending proposals for the merger between London Shop and Beaumont" which is to be put to a meeting of shareholders for their approval on Wednesday.

Under the proposed new offer holders of every six London Shop ordinary shares will be offered one Rosehaugh share, 460p in cash and 190p in a new convertible unsecured loan stock to be created on terms so that such stock would have a market value of not less than par.

Shop and that the proposed merger offers no real benefits for London Shop-holders.

ACC meeting next Friday

Lord Grade, chairman of Associated Communications Corporation, the entertainment conglomerate, gained the approval of voting shareholders at the ECM meeting on Monday.

meeting should be adjourned until the outcome of the legal proceedings on Monday is known and considered.

five minutes, voting shareholders were asked by Lord Grade to approve the presence of non-voting shareholders.

Ley's £2.4m in the red at year end

DESPITE A much better second six months Ley's Foundries and Engineering still finished the year to September 30 1981 in the red, the pre-tax figure emerging at £243,507.

With these factors in mind, the board has every reason to look forward to a satisfactory year's trading, providing the economic climate remains favourable.

Mr Nadir raises £4.5m with Polly Peck placing

MR ASIL NADIR, chairman of Polly Peck Holdings, has placed a substantial amount of his shareholding in the company raising £4.5m.

Restro has given an undertaking that it will not make any further disposals for two years.

Habitat answers critics

A special "case" committee formed by the National Association of Pension Funds to raise criticisms by their members who have invested in Habitat, the home furnishings group, said yesterday that its criticisms of a merger of Habitat with Mothercare, the specialist retail chain, had been answered.

The case committee also understands that Mr Terence Conran (chairman of Habitat) will be making a press statement in which he will cover the main points raised by the committee. All Habitat shareholders will be able to ask questions at the shareholders meeting next Thursday.

Wood & Sons: pref. dividend explanation

Wood and Sons, the Stoke on Trent pottery company which was put into the hands of the receivers at the beginning of December, explains in a letter the circumstances surrounding the declaration of a preference dividend on October 22.

On a CCA basis after-tax profits are shown as £355,911.

On a CCA basis after-tax profits are shown as £355,911.

Howden's increase passed

At yesterday's meetings of Alexander Howden there was scarcely a sign of opposition to the bid from Alexander and Alexander.

Results due next week

Analysts expect interim pre-tax profits of around £46m against £38.6m last time from Thorn EMI on Thursday.

Strong world growth for GRE

premiums on the ordinary life business run by its subsidiary GRELL nearly doubled from £450,000 to £800,000, while single premiums nearly trebled from £2.8m to £7m.

Mr Ross lifts Sumrie stake to 28.42%

Mr Harvey Ross has increased his stake in Sumrie Clothes in 710,500 shares, representing 28.42 per cent, and he intends to lift his holding in the company to 29.9 per cent.

Stanelco chief expects loss at interim stage

Trading during the first six months of the current year at Stanelco, electronic and mechanical equipment company, which came to the USM last June, has been very slow and Mr Wilcox Jones, the acting chairman, tells members he anticipates a loss for the period.

Stanelco, he states, has been awarded a Department of Industry research grant for work on optic fibre technology, from the £25m research fund.

Stanelco, he states, has been awarded a Department of Industry research grant for work on optic fibre technology, from the £25m research fund.

RTZ acquires more ward

RTZ Zinc acquired a further 700,000 shares in Thomas W. Ward on Thursday and its stake now stands at 26.1 per cent.

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Handwritten note in Arabic script: "مكتبة المجلد"

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Rio Tinto Zinc increased its bid for Thomas W. Ward, but the latter rejected the offer, saying convertible loan stock of a 225p per share cash alternative, as "still clearly inadequate". The new bid values Ward at approximately £130m against the £115m of RZ's first offer.

Property concern Rosehaugh launched a 135p per share cash offer increased yesterday to about 150p for London Shop Property Trust. The latter is currently in the process of merging with its sister company, Beaumont Properties. In December, Rosehaugh bought a 21.4 per cent stake in London Shop from McLeod Russel.

International Paint, the 88 per cent-owned subsidiary of Courtauld, paid 150p per share for 12 per cent of the capital of Arthur Holden, the specialist manufacturer of surface coatings. IP stated that the investment was in accordance with its belief that a strong international business could be created by a closer relationship between the two companies, but Holden directors, speaking for about 27 per cent of the shares, made it plain that they are against a merger.

Blue Circle Industries has invited bids for its sand and gravel subsidiary, Blue Circle Aggregates. Bids are expected to fall in the region of £30m-£40m.

Babcock International, the UK engineering group, sold the assets and business of the Industrial Products Group of its Acco subsidiary to Page-Wilson Corporation of the U.S. in a deal worth \$17.5m.

Tarmac merged its North Sea oil and gas interests with the offshore interests of Canadeca Resources, the oil exploration company with extensive on-shore acreage in the UK. The deal

will net Tarmac's investment in the North Sea from an estimated £21m to about £25m. It will give Canadeca a 36 per cent stake in Plascom, Tarmac's North Sea subsidiary.

Company	Value of bid per share**	Market share**	Price before bid	Price after bid	Bidder
Basilston Hldgs.	700*	190	245	1.75	Closure
Beaumont Props.	155	135	112	24.47	Ldn. Shop Prop.
Berc-IT	1504	149	94	85.50	Hansen Trust
Berkeley Hambro	352	330	274	59.82	Town & City Prps.
Callender (G.M.)	85*	80	56	5.78	Colas Prods.
City Offices	127	124	110	34.04	Greycoat Estates
Croda Int.	70**	78	43†	62.8	Burnmah Oil
Croda Ltd.	37**	51	21	3.90	Burnmah Oil
Elliott P/roff	40	39	42	5.27	Jenks & Cattell
Grant Bros.	190*	180	179	2.25	Jadepoint
Heron Motor Grp.	25**	32†	23	3.58	Heron Corp.
Howden (Alex.)	145	125	142	131.31	Alexander and Alexander Svcs.
Legavale Ests.	34	29	29	4.96	Sturla Hldgs.
Lon. Shop Prop.	150§	140	137	14.95	Rosehaugh
Mothercare	170	155	168††	109.61	Habitat
Pyramnd (Phots.)	60*	57†	60††	1.20	Starwest Inv.
Ward (T.W.)	225†	230	144	111.31	RTZ
Williams (W.)	25†	21	11††	0.85	Price (C.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on January 8 1982. †† At suspension. ‡‡ Estimated. § Shares and cash. ¶ Unconditional. * Loan stock alternative.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
ABI Holdings	June	810	(1.340)	13.5 (31.6)
Baker's Stores	Sept	752†	(820)†	11.6 (15.8)
Birmingham Plc	Oct	102L	(81)	(8.9)
Hickson & Welch	Sept	6,280	(6,450)	16.0 (17.0)
Kitchen (R.) Tylr.	Sept	442	(638)	29.5 (25.5)
McCormac	Sept	5,010	(4,900)	24.5 (26.1)
Pleasurama	Sept	5,580	(4,600)	42.3 (39.8)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Asprey	Sept	2,130	(784)
Black (Peter)	Oct	1,800	(1,370)
Brown & Rawse	Sept	1,860	(1,038)
Cavenish Ests.	June	71	(31)L
Electronic Roll.	Sept	7,290	(7,420)
Halma	Oct	837	(678)
Hollis & ESA	Sept	2,500L	(1,370)L
Howden Group	Oct	3,370	(3,050)
London Inv. Trst.	Sept	505	(475)
Quest Automation	Aug	1,460L	(347)L
Waddington (J.)	Oct	325	(1,020)L

(Dividends in parentheses are for the corresponding period.) Dividends shown net except where otherwise stated. † Trading profits. ‡ Loss.

Scrip Issue

Pleasurama—One for one.

Asset Special Situations Trust—Is placing 10m ordinary shares with warrants attached on a one for ten basis at 30p per share.

Fledgling Investments—Is coming to the market with a placing of 2.5m ordinary shares at 58.5p per share.

Malaysian Tin—Is being introduced to the Unlisted Securities Market.

Owners Abroad Group—Is coming to the Unlisted Securities Market by way of a placing of 6m shares at 10p each.

York Mount Group—Is coming to the Unlisted Securities Market by way of a placing of 1m ordinary 10p shares at 46p per share.

Rights Issues

Kwik Save Discount—Is raising £12.28m by way of a rights issue on the basis of one for ten at 180p per share.

Smith St Anghym—Is raising £2.7m by way of a one for one rights issue at 25p per share.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Feb. Last	Vol.	May Last	Vol.	Aug. Last	Stock
GOLD C	4000	18	148	8	50	—	£401
GOLD O	4825	18	6	—	—	—	—
GOLD P	4825	18	6	—	—	—	—
GOLD F	4825	18	6	—	—	—	—
GOLD S	4825	18	6	—	—	—	—
GOLD T	4825	18	6	—	—	—	—
GOLD U	4825	18	6	—	—	—	—
GOLD V	4825	18	6	—	—	—	—
GOLD W	4825	18	6	—	—	—	—
GOLD X	4825	18	6	—	—	—	—
GOLD Y	4825	18	6	—	—	—	—
GOLD Z	4825	18	6	—	—	—	—

CONTRACTS

£11.6m Devon road for Monk

The south west region of the Department of the Environment and Transport has awarded an £11.6m contract with A. MONK AND CO. for the construction of North Devon Link road, stage 1. It is located to the north of the existing A375 county road between the M5 and Tiverton, and terminates at a roundabout on the A385 Bolham Road north of the town.

The work is the first stage of a trunk road project planned to terminate at Barnstaple, Samford Peverell, Haberton and Tiverton itself will be relieved of through traffic.

The link road is 10.3 km long and will be a two lane dual carriageway in flexible construction with over 3.5 km of single carriageway wide diversions. There is a grade separated interchange at Holbrook Lane and other retained side road crossings grade separated.

Included in the contract are 13 bridges, all with spread footings and in situ concrete decks, except the railway bridge which has precast prestressed deck beams. Among the structures are six overbridges, one underbridge, a railway overbridge, an accommodation overbridge, a canal culvert and three multi-span culverts. Some 950,000 metres of excavation is involved with about 750,000 cu metres of embankment construction. The contract is expected to be completed in the spring of 1984. Consulting engineers are Frank Graham and Partners.

All 10 forklifts will be used for cargo handling at Portsmouth Docks.

CARSON OFFICE FURNITURE has been awarded a £72,000 contract for supply of furniture, screens and fittings for the new Northampton head office of the G-P Inveresk Corporation.

JOHN HOWARD AND CO. Chatham, has been awarded a contract by the Dover District Council for coast protection work at St. Margaret's Bay. Valued at £20,000, the work includes the reconstruction of groynes and the supply and placing of beach nourishment material and precast concrete armouring units for the protection of the cliff. Work is to start immediately for completion in 45 weeks.

Howards is working on the construction of a mass concrete sea wall, a rear wave wall and reinstatement of promenade areas at Margate for the Thanet District Council. This contract, valued at £400,000 is due for completion in June.

BP has awarded SCICON a contract to supply application software to aid the operation of the Magnus oilfield. The contract, worth over £300,000, is due for completion by the end of this year. A Wesdec 6 computer system will be supplied and installed by Wesdec Systems Dual Digital PDP 11/70's will provide a central monitoring facility offshore and will communicate via serial links to a number of microprocessor based systems on the platform and to a shore based PDP 11/70. The platform and short computers will have similar databases and changes will be transmitted to the onshore machine as they occur. The system will provide the operator with dynamically updated colour displays for monitoring of the production plant and utilities. The additional software and displays to be provided by Scicon will monitor well operations and testing, provide remote choke operation for rate control, and daily production reports.

APPOINTMENTS

Changes at Geest Holdings

Mr C. J. Vivian will be retiring as a director of GEEST HOLDINGS and its subsidiaries as from August 31. He will remain as an advisor to Geest Computer Services. To prepare for this it has been arranged that as from January 1, the executive functions of his role as managing director and chief executive are to be allocated to Mr L. W. van Geest and Mr S. R. Colman.

Mr Michael Tomlin, general manager, has been appointed deputy managing director of SHEFFIELD NEWSPAPERS. Mr Michael Hides, editor, Morning Telegraph; Mr David Flynn, editor of The Star; and Mr Brian Knox-Peebles, marketing director of United Newspapers have been appointed directors of Sheffield Newspapers.

Mr A. B. Johnson has been appointed company secretary of BENTON & BOWLES. Mr G. B. Foote and Mr J. F. Morton are promoted managing directors of Rentokil, the main UK operating subsidiary.

Mr Ian Rodger, has been appointed company secretary of BOUSTEAD.

Mr Tim Sherwin has been appointed managing director of THOMAS NELSON, educational publisher. He succeeds Mr John Jeremie who becomes executive chairman.

Mr L. Haigh has been appointed to the board of NEEDLE INDUSTRIES as director technical division.

Mr Alan Clarke has joined CARLEO (Casa de Risparmio delle Province Lombarde) as syndication manager. He was formerly with Chase Manhattan.

At LOUIS DREYFUS AND CO. Mr Jean Louis-Dreyfus has retired as chairman but remains a non-executive director. Mr R. E. Cornwell has been appointed chairman, Mr R. J. Henderson managing director and Mr G. J. Peirson a director. Mr J. Brady, Mr D. R. Corke and Mr J. P. Mayhew have resigned as directors. Mr Brady has been appointed managing director of Louis Dreyfus Trading and Mr Corke, Mr Mayhew and Mr Peirson have been appointed directors.

At SAUDI BANQUE, London, Mr Donald F. Rogers has been appointed manager administration and operations division, and Mr David L. Dale is appointed manager syndications in the corporate finance and credit division.

Mr T. D. Cooper has been elected a director of ASPREY AND CO.

MINSTER ASSETS has appointed Mr P. A. Cox and Mr J. N. Fuller-Shapcott as directors. Mr Cox is managing director of Minster Insurance Company and Mr Fuller-Shapcott is managing director of the corporate finance department of Minster Trust.

BASE LENDING RATES

A.B.N. Bank	14 1/2%	Grindlays Bank	14 1/4%
Allied Irish Bank	14 1/2%	Guinness Mahon	14 1/4%
American Express BK	14 1/2%	Hambros Bank	14 1/4%
Amrri Bank	14 1/2%	Heritable & Gen. Trust	14 1/4%
Bank of Montreal	14 1/2%	Hill Samuel	14 1/4%
Bank of New York	14 1/2%	Hongkong & Shanghai	14 1/4%
Bank of Paris	14 1/2%	Indus Bank	14 1/4%
Bank of Rome	14 1/2%	Indus Bank Ltd.	14 1/4%
Bank of Spain	14 1/2%	Indus Bank Ltd.	14 1/4%
Bank of Sweden	14 1/2%	Indus Bank Ltd.	14 1/4%
Bank of Switzerland	14 1/2%	Indus Bank Ltd.	14 1/4%
Bank of the Netherlands	14 1/2%	Indus Bank Ltd.	14 1/4%
Bank of the West	14 1/2%	Indus Bank Ltd.	14 1/4%
Bank of Tokyo	14 1/2%	Indus Bank Ltd.	14 1/4%
Bank of the East	14 1/2%	Indus Bank Ltd.	14 1/4%
Bank of the South	14 1/2%	Indus Bank Ltd.	14 1/4%
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WORLD STOCK MARKETS

Companies and Markets

NEW YORK

Table of New York stock market data including Dow Jones, S&P 500, and various industry indices.

Stock

Table of individual stock prices and changes for various companies.

Early 5.23 rise on Wall St

STOCKS MOVED higher in overnight trading on Wall Street yesterday, although investors moved to the sidelines to await both the Weekly Money Supply figures and the interpretation of the Government's settlement of a long standing Antitrust suit against ATT.

The Dow Jones Industrial Average gained 5.23 to 867.01 by 1 p.m., reducing its loss on the week to 7.99, while the NYSE All Common Index, at 868.47, firmed 45 cents on the day but was still off \$1.64 on the week.

Analysts said the M-1B measure of the Money Supply, to be released after the close, is expected to be down about \$1bn. A drop in the Money Supply could take upward pressure off interest rates, analysts said.

Analysts also attributed the relatively low volume to a surprise announcement that ATT will spin off all its local telephone companies under an agreement to settle the Government's Antitrust suit against the company.

Also affecting the market is speculation that some decision may also arrive on the Government's Antitrust suit against IBM.

Trading centred on the Blue Chip issues, most of which were stronger. Eastman Kodak rose \$1 1/2 to \$73 1/2. U.S. Steel \$2 to \$29 1/2. General Motors \$2 to \$40 1/2. Preter and Gamble \$2 to \$9 1/2 and Minnesota Mining \$2 to \$33 1/2.

Closing prices for North America were not available for this edition.

Value Index put on 1.82 to 311.32. Turnover 2.94m shares. Industrials retreated in slow trading.

AOD rose 4 cents against the general trend to \$A1.65, while Hartogien slid 40 cents to \$A6.20.

Retailers were steady and Brewers were down. H. C. Sleigh, however, added 2 cents at \$A1.20, after a special sale by Bain and Co before the start of trade of over 1.8m shares at \$A1.20.

Coffee Motors had a special sale of almost 800,000 shares at \$A1.32, well below the market bid price of \$A1.45.

Germany Leading shares closed steady after a moderately active session which saw the Commerzbank Index rise 5.4 to 650.28.

Steel continued firm. In strong Engineering, KHD gained DM 4 to 178.50. GHH DM 2.20 to 212.50 and Linde DM 3 to 314.

In Electricals, AEG shed DM 0.30 to 45.10 on uncertainty over the Soviet pipeline deal.

Among weak shares, Karstadt fell DM 4 to 152.00, reported parent company turnover up 3.2 per cent in 1981.

Public Authority Bonds showed fluctuations of plus DM 0.30 and minus DM 0.70. The Bundesbank sold DM 21m of stock.

Mark Eurobonds were steady in quiet trading.

Share prices declined on scattered liquidation of margin positions in a quiet market. The Market Average shed 29.00 to 7,662.23 on a light volume of 290m (280m) shares.

Precisions, Motors, Light Electricals, Composites, Drugs and 'Large Capital' shares fell but some 'Low-Priced' and 'Incentive-Backed' issues were bought selectively.

Non Ferrous Metals, Fisheries, Synthetic Fibres, Chemicals, Machinery and Speculatives were higher.

High Technology issues, such as Optical Fibres, Manufacturers of New Ceramics and Robot Makers, fell on profit-taking.

Slightly firmer but below the day's highs with gains pared by some late selling ahead of the weekend. Trading was active in the afternoon.

The market firmed initially on carryover demand from Thursday's advance. In addition, there was a general lack of sellers.

Leaders closed mixed, reflecting the late selling.

Prices continued their downward trend as the All Ordinaries Index shed 6.1 to 577.0 and market leader BHP closed 7 cents easier at \$A9.95.

Most of the week's weaker Metals and Coals lost ground and several of the better known

Switzerland Leading Industrials advanced on some Foreign buying support, including Bearer shares of BBC, Ciba-Geigy, Sandoz and Nestle.

Hoffmann-La Roche and Feldschlueßchen featured gains among unofficially traded stocks.

In a quiet Foreign sector, Dollar stocks traded around Thursday night's New York close.

Buying interest in Dutch Internationals focussed on Hoogovens. Germans posted modest gains, and Elf Aquitaine moved higher in otherwise inactive European Oils.

Generally firmer in moderately active trading. There was a general recovery from Thursday's depression after Bastogi-Imb Spa was suspended on share markets.

Banks, Insurances and Financials led the upward trend. Bonds were mixed in reduced trading.

Gold shares turned mixed towards the close after a firm opening in very thin trading.

Bustenberg Platinum shed 20 cents to \$10 cents after the chairman's statement which forecast a sharp fall in profits. Industrials were very quiet.

Share prices closed narrowly mixed on bouts of profit-taking and buying support in fairly active trading.

Far-East Levinstone rose 15 cents to \$S6.70 and Metro 35 cents to \$S8.45.

Hotels were slightly lower. Precious Metals, Commodities, Steady and Second Trading. Section Higher. General Ceramic moved up 40 cents to \$S6.65, but City Development shed 10 cents to \$S4.38.

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Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken from the current list from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 20 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's clearing system.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant information. The number of bargains dealt denotes the day's highest and lowest dealing price.

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Table of stock exchange dealings, organized by sector (A-Z) and listing company names, prices, and trading volumes.

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Rees warns of danger to Labour peace pact

BY PETER RIDDELL, POLITICAL EDITOR

THE FRAGILE truce within the Labour party after this week's talks at Bishops Cleeve, Essex, was stretched yesterday.

In a speech in his Leeds constituency, Mr. Merlyn Rees, the Shadow Energy Secretary, warned that the dangers which still existed from extremists to the party's unity and possible success.

He claimed to be seeking for the heartland of the Labour Party in Northern England, Wales and Scotland. He pointed out that there were hardly any Labour MPs in the south and that in London the party's support was dwindling.

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TV Ratings w/e Dec 27, 1981

1. Coronation Street (Gran): 10.1m
2. The Two Ronnies (Gran): 9.8m
3. The Muppet Show (Gran): 9.5m
4. The Wind (Sun): 9.2m
5. The Saturday Night Takeaway Show (Sun): 8.9m
6. The Saturday Night Takeaway Show (Sun): 8.6m
7. The Saturday Night Takeaway Show (Sun): 8.3m
8. The Saturday Night Takeaway Show (Sun): 8.0m
9. The Saturday Night Takeaway Show (Sun): 7.7m
10. The Saturday Night Takeaway Show (Sun): 7.4m

Death grant delay protest

A LABOUR MP claimed yesterday that the latest delay in announcing a change in the death grant, which has stood at £30 since 1967, was "prolonging the agony" for many old people.

Mr. George Foulkes, member for South Ayrshire, said: "We were given clear and unequivocal promises in Parliament, and at meetings, that a decision would be made before Christmas, and this delay is intolerable."

Last month Mr. Hugh Rossi, Health and Social Security Minister of State, told MPs he could not fulfil a promise to make a statement before Christmas, but expected to do so soon after the Commons resumes on January 18.

LOCAL AUTHORITY BOND TABLE

Authority	Annual interest	Life interest	Minimum sum
Knowsley (051-548 6555)	14%	1.000	45

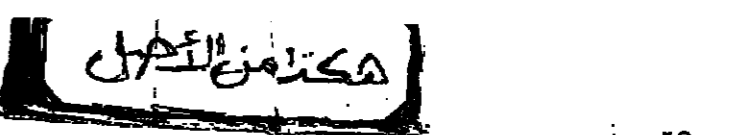


Table of financial data including company names, stock prices, and market indices.

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FT UNIT TRUST INFORMATION SERVICE

Large table listing various unit trusts, their managers, and performance metrics.

MONEY MARKETS

London clearing bank base leading rates 14 1/2 per cent (since December 4)

EXCHANGES AND BULLION

Trading was rather quiet in overall as shown in its trade weighted index which rose to 91.7 from 91.7 having stood at 91.6 at noon and 91.8 in the morning.

THE POUND SPOT AND FORWARD

Table showing pound spot and forward rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing Euro-currency interest rates for various currencies.

FT LONDON INTERBANK FIXING (11.00 a.m. JANUARY 8)

Table showing FT London interbank fixing rates for various currencies.

LONDON MONEY RATES

Table showing London money rates for various currencies.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European currency unit rates for various currencies.

OTHER CURRENCIES

Table showing other currency rates for various currencies.

UK CONVERTIBLE STOCKS 8/1/82

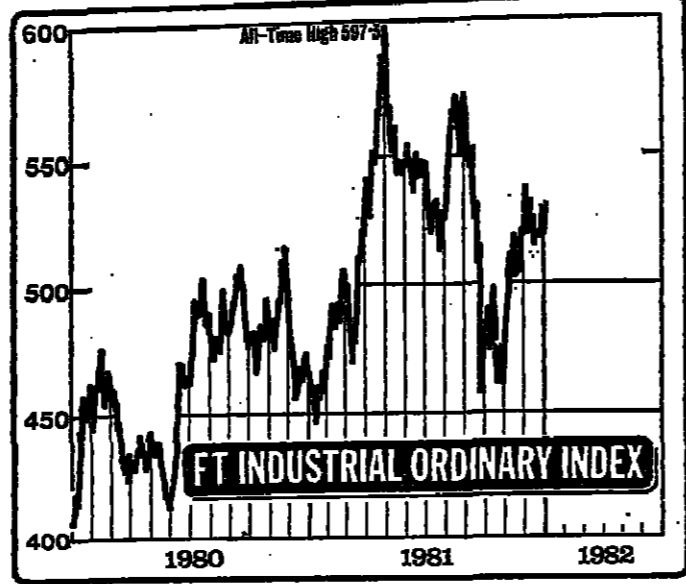
Table showing UK convertible stocks with columns for Name and description, Size, Current price, Terms, Conversion dates, Flat yield, Red yield, Premium, Income, and Dividend.

LONDON STOCK EXCHANGE

Speculative interest gives equity markets frothy look
Gilts more relaxed and Discount houses rally slightly

Account Dealing Dates
Option
First Declared Last Account
Dealings Dealing Dates

Construction concern York
Mouni made a successful debut
in the Unlisted Securities
Market: the shares opened at 47p
and closed at 49p compared with
the placing price of 46p.



Discount Houses regained a
little composure after Thursday's
collapse which followed the
stock revelation that Smith St
Aubyn had lost its reserves
because of heavy losses incurred
in the gilt-edged market and
proposed a £2.7m rights issue to
replenish its funds. Down 9p the
previous day, Smith St Aubyn
picked up 5 to 40p. Cater Allen
hardened a similar amount to
280p and King and Shaxson re-
trieved a couple of pence to 80p.

Smith St Aubyn harder

Elsewhere in the banking
sector, Guinness Peat stood a few
pence down at 80p before and
after the announcement that Mr
Arthur Holden had been appointed
a director and chief
executive with the authorisation
to settle Lord Kissen's future
relationship with the group. With
the exception of NatWest, which
softened 2 to 42p, the major
players took a firmer line. Midland
added 4 to 548p and Lloyds
3 to 428p. Bank of Scotland
gained 5 to 515p, after 533p, on
revised bid hopes.

FT INDUSTRIAL ORDINARY INDEX

Following the recent bout of
profit-taking, Engineers opened a
few pence dearer, but lack of
support and occasional offerings
saw quotations drift back to close
with little alteration on balance.
Loose offerings, however, left
John Brown cheaper at 531p. On
Elsewhere, Cambridge responded
to demand in a limited market
with a rise of 12 to 245p. Brock-
house hardened 11 to 32 in
response to the chairman's
annual review, but Ley's
Poundries, reflecting the annual
loss, weakened 2 to 17p. Fresh
support left Chamberlain and Hill
3 higher at 46p and Howard
Machinery 2 firmer at 37p.
Babcock rose 3 to 90p and APV
5 to 232p, while GEL Inter-
national edged up 3 to 70p. On
the other hand, Anderson Strath-
clyde met profit-taking and gave
up 2 to 92p along with Benjamin
Priest a similar amount down at
35p.

Most of the former business
was concentrated on stocks
known to be in short supply and
values consequently over-reacted
in slender markets. Despite the
absence of a rumoured market
raid, Scottish and Newcastle
Breweries rose to 56p before
closing only 1/4 up on balance at
54 1/4p, while Motor Components
shares responded to the expected
return to work next week at
outright bid, extended this
week's rise to 15, at 114p.

Unsettled recently by fears
that the recent stormy weather
could cost the insurance market
£50m, Composites rallied slightly.
Sua Alliance put on 4 to 824p
and Royals appreciated 3 at 330p,
while Commercial Union
hardened a couple of pence at
125p.

Selected leading Foods con-
tinued to attract speculative
interest. Unigate were again
actively traded as dawn raid
rumours persisted and closed a
penney up for a gain on the week
of 15 at 114p. Ranks Hovis
McDonagh attracted late support
and added 2 to 62p. William Low
added 2 for a two-day gain of
12 to 172p on bid hopes. Linford
shed 3 to 174p following the
announcement that the company
had planned the whole of its hold-
ing of 12.2 per cent of the voting
shares and 38.3 per cent of the
A non-voting shares with Cour-
tauld Pension Fund; Bishop's
ordinary held at 170p, but the A
gave up 4 to 92p.

Business in Buildings was
slow, but selected issues
responded to inquiry and usually
improved. Barrat Developments
firmed 5 to 215p, while Costain
gained 6 to 242p and the De-
ferred 4 to 214p. Demand ahead
of the results due
on January 21, lifted V. J. Lovell
5 to 250p, while John Fintan put
or 4 to 146p on revised bid
hopes. Wiggins Group improved
2 afresh to 88p and Newarthill
8 to 463p, while Bredon and
Clamp, the latter named following
a press mention.

Scottish and Newcastle were
again briskly-traded on rumours
of a dawn raid and closed 5p
before settling for a net gain of
1 1/4 at 54 1/4p.

Talk of a brokers downgrading
profit forecasts and of a possible
rights issue with next Thursday's
interim results unsettled Thorn
EMI which closed 13 down at
145p. GEC shed 6 to 800p and
Kvaerner eased a couple of pence
to 425p, the latter's first-half
results are due on Wednes-
day, Plessey resisted the trend
with an improvement of a penny
to 368p. Secondary Electronics
were feasted by a fresh declin-
ing in Quest Automation, still on
consideration of the poor interim
figures, the close being 10 down
to take the fall on the week to
52 at 83p. Amstrad, on the other
hand, rebounded 20 to 219p

Renewed support was forth-
coming for ICI which firmed 6
to 306p. Elsewhere in the
Chemical sector, Hickson and
Wicks put on 3 for a two-day
gain to 20 to 220p in response to
the better-than-expected pre-
liminary results, while Laporte
rose 5 to 127p and Colgate 4 to
127p. Paint shares attracted fresh

Polly Peck placing

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Glaxo better
Glaxo featured firm miscel-
laneous industrial leaders, rising
14 to 436p on technical influences.
Turnel and Newall put on 5 to
88p in response to an investment
recommendation, while Unilever
added 10 to 612p and Beecham

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for Equity Groups & Sub-sections, Fixed Interest, and Average Gross Redemption Yields. Includes sub-sections like Capital Goods, Building Materials, etc.

4 to 219p. Elsewhere, a resurg-
ence of speculative buying on
bid hopes helped Grippers to
advance 12 to 142p, while Neil
and Spencer found support and
put on 5 to 35p. Pritchard Ser-
vices rose 4 to 178p and Sothebys
8 to 383p. Change Wares con-
tinued firmly at 27p, up 2, while
Benlex hardened a penny to 26p
on the announcement that the
company is acquiring Joshua
Bigwood from Maurice James;
the latter ended unaltered at
22p. Hoover, at 90p, lost 4 of
the previous day's speculative
rise of 10 and fading bid hopes
clipped 8 from Royal Worcester
to 165p, down 30 on the week.
Pleasura, a this market,
gained 13 to 320p on further con-
sideration of the preliminary
results.

The general acceptance of
Ford's wage offer prompted a
firmer tone among Motor Distri-
butors and component suppliers.
Lucas jumped 5 to 234p, while
Automotive Products added 2 to
52p. T. C. Harrison, 75p, and
Dorada, 34p, rose 5 and 3 respec-
tively, while Hynlys, still await-
ing further bid developments,
closed 3 higher at 107p, after
109p.

London Shop Property Trust
rose 4 to 140p and the 6 1/2 per
cent convertible loan advanced
16 to 178p following the revised
conditional bid from Rosehaugh,
5 cheaper at 250p. Elsewhere in
the Property sector, Churchbury
Estates hardened 5 to 635p
following a property disposal.

The Rustenburg chairman's
profits warning depressed
Platinum Rustenburg gave up
6 more to 205p—20 down on the
week—while Impala dipped 5 to
325p and Lydenburg 4 to 166p.

In Central Africans, new 1981-
1982 lows were registered in
Coronation and RCM which gave
up 5 pence to the common price
of 65p. Falcon Mines dropped 10
to 110p.

Australians drifted in idle
trading; Ashton Mining eased 4
to 88p and CLA 3 to a 1981-82
low of 135p following the latest
quarterly report from the Ashton
diamond venture in Western
Australia. Among other leading
issues, Western Mining gave up
5 more to 229p, down 18 on the
week.

Elsewhere, Tara Mines dropped
30 to a low of 455p; the zinc/
lead mine at Navan remains on
a care and maintenance basis
following the rejection of a wage
offer by craftsmen.

Oil prices passed a drab trading
session with the leaders drifting
a few pence lower in places.
British Petroleum gave up 4 to
298p, while Tritel closed 2
cheaper at 220p. Among the
more speculative exploration
issues, Cambridge Petroleum
retreated 10 to 250p and Edinburgh
Securities lost 9 to 207p. Sirata,
in contrast, advanced 9 to 52p
following news of the spudding
of the Woodada number 5 well
in the Cooper Basin.

English refineries in the absence
of bid developments after the flurry
of speculative activity earlier in
the week, P & O Deferred eased
12p to 130p before settling at
132p for a net fall of 2. Else-
where in Shippings, John L.
Jacobs were noteworthy for a
gain of 4 to 33p.

Sogomana continued to feature
Plantations, rising 55 for a two-
day gain of 5 to 510p following
the disclosure that the company

FINANCIAL TIMES STOCK INDICES

Table with columns for Jan 8, Jan 7, Jan 6, Jan 5, Jan 4, Dec 31, and Year ago. Rows include Government Secs, Fixed Interest, Industrial Ord, Gold Mines, etc.

Table with columns for 10 am 531.8, 11 am 531.8, Noon 530.8, 1 pm 531.0. Includes Basis 100 Govt. Secs, 15/10/25, Fixed Int. 1928, Industrial Ord. 1/7/33, Gold Mines 12/9/55, SE Activity 1974.

Table with columns for 1981/2, Since Completion, Jan 7, Jan 6. Rows include Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

NEW HIGHS AND LOWS FOR 1981/2

Table with columns for High, Low, High, Low. Rows include Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

RISES AND FALLS

Table with columns for Yesterday's Rise, Yesterday's Fall, On the Week Rise, On the Week Fall. Rows include British Funds, Corps. Dom. and Foreign Bonds, etc.

ACTIVE STOCKS

Table with columns for Closing price, Day's price change, Stock, Day's price change. Rows include Bank of Scotland, Boustead, etc.

THURSDAY'S ACTIVE STOCKS

Table with columns for No. of closing, Thursday's price change, Day's price change, Stock, Thursday's price change, Day's price change.

5-DAY ACTIVE STOCKS

Table with columns for No. of closing, Thursday's price change, 5-day price change, Stock, Thursday's price change, 5-day price change.

RECENT ISSUES

Table with columns for Issue price, Amount, Date, Stock, etc. Rows include 100 F.P., 100 F.P., etc.

OPTIONS

First Last Last For ties, Florida, British Home
Decl- Decl- Decl- tion Sett- Stores, Racial, Double Eng-
arings arings arings tion ment Bank of Scotland, ICI
Jan 4 Jan 15 Jan 15 Jan 26 Trident Tr. Scot. and Newcastle
Feb 1 Feb 12 Feb 12 May 24 P & O Deferred, Inter-City, Uni-
gate, Charterhall, KCA Inter-
national, KCA Drilling, Bam-
bers and AGB Research. No
puts were reported, but a
double was taken out in ICI.

LONDON TRADED OPTIONS

Table with columns for Option, Exercise price, Closing offer, Vol., Closing offer, Vol., Closing offer, Vol., Equity price. Rows include BP (c), BP (p), etc.

LEADERS AND LAGGARDS

Percentage changes since December 31 1981 based on Thursday, January 7 1982

Table with columns for Other Consumer, Shipping and Transport, etc. Rows include Other Consumer, Shipping and Transport, etc.

RECENT ISSUES

Table with columns for Issue price, Amount, Date, Stock, etc. Rows include 100 F.P., 100 F.P., etc.

FIXED INTEREST STOCKS

Table with columns for Issue price, Amount, Date, Stock, etc. Rows include 100 F.P., 100 F.P., etc.

"RIGHTS" OFFERS

Table with columns for Issue price, Latest announce. date, 1981/2, Stock, etc. Rows include 7 1/2 F.P., 15p, etc.

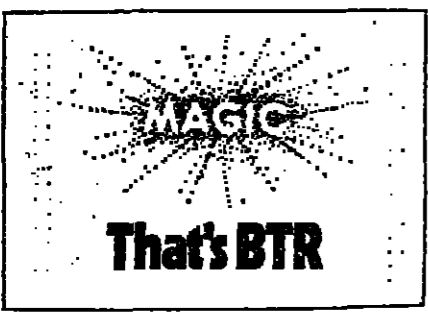
Table with columns for Equity section or group, Base date, Base value, etc. Rows include Other Industrial Materials, Health/Household Prods., etc.

* Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, ECA, price 15p, by post 26p. NAME CHANGE: London & Manchester Assurance has changed its name to London & Manchester Group (Insurance Life)



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.



BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table listing various British funds with columns for Name, Price, and Yield.

Five to Fifteen Years

Table listing British funds with a five to fifteen year maturity, including columns for Name, Price, and Yield.

Over Fifteen Years

Table listing British funds with an over fifteen year maturity, including columns for Name, Price, and Yield.

Undated

Table listing undated British funds, including columns for Name, Price, and Yield.

COMMONWEALTH AND AFRICAN LOANS

Table listing Commonwealth and African loans with columns for Name, Price, and Yield.

LOANS

Table listing public board and financial loans with columns for Name, Price, and Yield.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rails with columns for Name, Price, and Yield.

AMERICANS

Table listing American stocks with columns for Name, Price, and Yield.

CANADIANS

Table listing Canadian stocks with columns for Name, Price, and Yield.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase companies with columns for Name, Price, and Yield.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies with columns for Name, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road companies with columns for Name, Price, and Yield.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies with columns for Name, Price, and Yield.

DRAPERY AND STORES

Table listing drapery and store companies with columns for Name, Price, and Yield.

ELECTRICALS

Table listing electrical companies with columns for Name, Price, and Yield.

ENGINEERING MACHINE TOOLS

Table listing engineering and machine tool companies with columns for Name, Price, and Yield.

INDUSTRIALS (Misc.)

Table listing various industrial companies with columns for Name, Price, and Yield.

Table listing food and grocery companies with columns for Name, Price, and Yield.

HOTELS AND CATERERS

Table listing hotel and catering companies with columns for Name, Price, and Yield.

INDUSTRIALS (Misc.)

Table listing various industrial companies with columns for Name, Price, and Yield.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other companies with columns for Name, Price, and Yield.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other companies with columns for Name, Price, and Yield.

South America Trade and Investment Opportunities for Europe

A Management Report by Margie Lindsay

Europe can ill afford to ignore either the trading and investment opportunities offered by South America or the potential political importance of a region which contains essential mineral supplies. Did you know—

- * BRAZIL plans to quadruple its coal output by 1990
* COLOMBIA plans to spend nearly \$22 bn on infrastructure up to 1982
* PERU'S 1981-1983 development programme requires an investment of \$4 bn
* ECUADOR is spending over \$4 bn for oil and gas exploration and development.
* ARGENTINA is encouraging foreign investment has approved \$1.55 bn in three years up to August 1980

An outline of each country's needs is provided in Trade Profiles, detailing the political and economic situation, including industry, agriculture, energy and mineral resources and the opportunities open to European business. Each profile ends with a checklist of relevant facts and figures.

ORDER FORM: Please return to: Marketing Dept., Financial Times Business Information Ltd., Bracklen House, 10 Cannon Street, London EC4P 4BY. Tel: 01-248 8000 Telex: 8811506. Includes fields for Name, Position, Company Name & Address, Country, Nature of Business, and Signed/Date.

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MAN IN THE NEWS

Labour's central broker

BY JOHN LLOYD

THE IMPORTANCE of the two-day conference between the unions and the Labour Party at Bishop's Stortford this week is this: it reasserted the fundamental principle of the Labour movement, that the object of the alliance of organised labour and political party is the pursuit of power.

All the major union leaders, no matter what their political persuasion, were convinced that the Party had collectively lost sight of that elementary fact. This drove them to call — through their medium, the Trade Unions for Labour Victory (TULV) — for the conference, and to impress that view so



DAVID BASNETT
"He will require all his equanimity to ride out the coming months."

firmly on the politicians. Whether or not the "treaty" of Bishop's Stortford will stand the test of time and left- and right-wing sniping, to which it is already being subjected — is unpredictable.

Mr David Basnett, the 57-year old general secretary of the General and Municipal Workers Union and chairman of the TULV, was the only figure in the British labour movement who could have constructed the treaty. There were three reasons for this.

First, on the retirement, at the end of the last Labour Government, of Mr Jack Jones and Mr Hugh Scanlon, respectively leaders of the Transport and General Workers and the Amalgamated Union of Engineering Workers, Mr Basnett — whose union is third largest — inherited the mantle of TUC top dog.

Second, Mr Basnett has deliberately steered clear of allowing himself to be identified too closely with right or left camps in the TUC. The ambiguity goes back to his assumption of the GMWU's general secretaryship in 1973 when the Communist Morning Star promoted him as the most "progressive" candidate, and most of the rest of Fleet Street had the election of a new "moderate." This refusal to be tied down has exasperated TUC colleagues who wished to co-opt him to their side, but has allowed him to emerge as the central broker of competing interests, and spokesman on behalf of the common need for unity.

Third, aided by an innovative and efficient research department and some impressive national and regional officials, he is able to think through and promulgate policy for the movement, even though its details have been submerged in the political and personal feuding which he loathes and has tried to quell. This policy he sees as a continuation of the lines laid down by the last Government: a social contract between government and labour, involving business but concerned to protect and advance the public sector and the low paid.

Like Mr Len Murray, the TUC general secretary, he has a distaste for show, grandiloquence and the bravura public style which is commonly called chavismo. It was he, in this year of chairmanship, who broke the tradition of "non-political" chairmanship and insisted on the unions' link with Labour, and he who, now, has taken the lead in telling the party and the unions that they must both "act in concert."

Ford increases share of new car market to 31%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

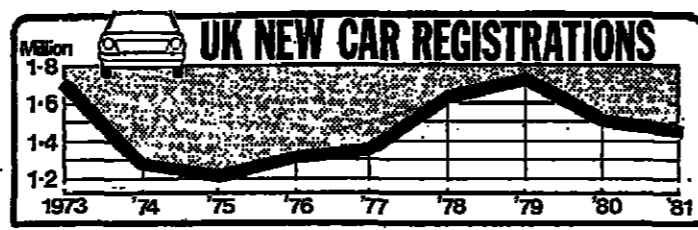
FORD SWEEPED the board in the UK new-car market last year. It was the market leader, the major importer and supplied the three best-selling cars — the Cortina, the Escort and the Fiesta.

The group marginally increased its share to nearly 31 per cent of a market which turned out to be much more buoyant than was expected a year ago.

According to the Society of Motor Manufacturers and Traders, new-car registrations in 1981 fell by 1.9 per cent, from 1,511,000 to 1,482,000. Fortunes were mixed for the other UK-based manufacturers. BL began to recover, pushing its market share up by a full percentage point to 19.2 per cent from the 1980 all-time low. The group also managed a numerical increase in car sales, something Ford just failed to achieve.

Vauxhall, the General Motors subsidiary, held its share at just above 7 per cent but suffered a drop in unit sales.

Talbot UK, the Peugeot subsidiary, saw its market share slump from 6 per cent to 4.5 per cent while unit sales dropped by more than a quarter.



Registrations last year, although well below the 1.72m peak in 1979, were the sixth-best on record.

The importers' share of the market slipped from the record 55.7 per cent in 1980 to 55.7 per cent last year. The major factor was that more Ford cars were assembled in British plants.

Last year 203,291 of the Fords registered were assembled outside the UK, representing 13.69 per cent of the total market, compared with 216,780, or 14.31 per cent, in 1980.

The society forecasts that 1982 car sales will be between 1.52m and 1.55m with imports dropping to about 795,000 from 826,533 last year.

Japanese car sales just squeezed below the 11 per cent of the 1981 market which would have been the maximum acceptable to the British industry under the terms of the "voluntary" agreement between the two countries. The society expects the Japanese market share to remain at about the same level this year.

The top-10 best-selling cars in 1981 were: 1, Ford Cortina (48,490); 2, Ford Escort (41,081); 3, Ford Fiesta (40,763); 4, Austin Metro (36,831); 5, Morris Ital (36,831); 6, Vauxhall Chevette (32,874); 7, Vauxhall Cavalier (30,854); 8, Datsun Cherry (30,854); 9, Austin Morris Mini (28,772).

The society also announced yesterday that commercial vehicle sales last year fell by 19.9 per cent from the 1980 level, to 217,903. Importers took 31.4 compared with 24.1 per cent. Full details of the commercial vehicle figures will appear on Monday.

Table, Page 3

U.S. and France agree to curb computer exports to Russians

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. and France have agreed to co-operate in tightening controls over the export of computers and microelectronics to the Soviet Union, the two countries' Defence Ministers announced in Washington.

In a joint statement, Mr Caspar Weinberger of the U.S. and M Charles Heraud of France said an uncheckered flow of advanced technology to the Soviet Union would be a "windfall" for Moscow.

U.S. efforts to curb Western high-technology exports to the Soviet Union and its allies have been given fresh impetus by the desire to sanction Moscow for its role in the Polish crisis. But the Reagan Administration has for many months been urging its allies to follow such a course as a matter of general principle.

The U.S. will take the lead in calling for stricter controls at a two-day meeting starting on January 19 of the top-secret Paris-based COCOM organisation, which vets Western exports to the East on security grounds. The U.S. would like to see the existing list of prohibited exports strengthened and extended to include new items.

In Washington, Mr Bobby Inman, Deputy Director of the

Central Intelligence Agency (CIA), said that the Soviet Union had acquired most of the military technology for its arms build-up since 1964 from the U.S. and its closest allies.

He told a conference of the American Association for the Advancement of Science that the technology acquired by Moscow ranged from information on weapons accuracy to project designs and manufacturing procedures. He implied much of the information had been acquired by legal means rather than by espionage.

Mr Inman said that in the next few months several U.S. Congressional committees planned hearings that would reveal specific weapons advantages lost to the Soviet Union because of the lack of restrictions on exporting scientific information abroad.

Jonathan Carr in Bonn adds: The U.S. is evidently not expecting its Nato allies at their meeting in Brussels on Monday to agree to match the kind of economic sanctions which Washington has taken against Moscow. But COCOM provides a forum where further pressure for embargo can be applied.

West Germany is thought to be ready, as in the past, to see the COCOM list updated. But it has pointed out that the U.S. is making very wide-ranging proposals to bar export of high-technology goods which, if accepted, would be a major blow to the trade of Bonn and other European countries with the East bloc. The forthcoming negotiations are therefore expected to be difficult.

Count Otto Lambsdorff, President of the German Economics Ministry, said in an interview yesterday that if the U.S. really wanted to hurt the Soviet Union through an embargo, then it should block grain deliveries. But he noted that Washington had decided to continue existing grain supplies and merely postponed new negotiations.

Mr Wladyslaw Baka, Poland's Minister for Economic Reform, was quoted yesterday by Warsaw Radio, as saying that U.S. sanctions have already harmed the country's finances and affected supplies for industry and agriculture.

Poland was finding it increasingly difficult to obtain foreign currencies, forcing rationing of materials and energy to some sectors of the economy.

Alert at crippled U.S. reactor

BY PAUL BETTS IN NEW YORK

A RADIATION problem was reported yesterday at the controversial Three Mile Island power station which was crippled two years ago in America's worst nuclear power plant accident.

General Public Utilities (GPU), which owns the power station — at Harrisburg, Pennsylvania — said an "unusual event" had been declared at the damaged Unit Two reactor plant. Radiation monitors showed increased activity in the unit's auxiliary and fuel handling buildings.

An "unusual event" is the official term for the lowest of

four emergency categories. The plant was evacuated while the problem was investigated. Officials reported insignificant escapes of radiation and said levels in the building were low and coming down.

The company said later that conditions were returning to normal and that the emergency had ended. Full details of the incident would be released. The incident is bound to have a further impact on public opinion. The Three Mile Island accident has caused a continuing controversy over the safety of nuclear power in the U.S.

GPU is currently involved in cleaning up the damaged reactor plant but has so far failed to raise the necessary \$1bn (£520m) to do the job which is regarded as crucial to the industry's future. Nuclear power generating in the U.S. has come to a virtual standstill since the accident.

The company has also been lobbying for government permission to reactivate the undamaged Unit One which was shut down after the accident. However, this was refused this week until further studies are made.

Golden handshake

after the meeting that the court hearing was scheduled for Monday in the Companies Court before Mr Justice Slade.

The hearing is expected to be adjourned on Monday to allow the Associated Communications more time to prepare its evidence. The matter could run into February and beyond.

Brokers charges

more about how to get home through the snow.

The gist of the new commission proposals is a higher base percentage in each sector of the market, with upward adjustments in the bargain values at which that percentage is progressively diminished under the system of tapering scales.

It is intended that a new exchange rule will govern the eligibility of gifts bargains for

AT & T

1956 whereby AT & T was allowed to retain its monopoly position in the telephone market in return for not entering the non-regulated data-processing and electronic markets.

The modified consent decree gives AT & T 18 months to complete the complex task of disposing of its 23 local telephone operating companies. AT & T expects to complete details of the spin-off in the next six months.

AT and T will also be allowed to enter non-regulated fields, to continue to supply the local companies with equipment and to compete in the fast-changing telecommunications market against such giants as IBM.

The decree does open up, however, the local telephone markets to AT and T competitors in the telephone companies' services market. Mr William Baer, head of the Justice Department's anti-trust division, said the Government was extremely pleased with the settlement.

Jobless rate in U.S. rises to 8.9%

By Reginald Dale, U.S. Editor, in Washington

UNITED STATES unemployment rose rapidly again in December to 8.9 per cent, as the nationwide recession showed no sign of easing. The 0.5 percentage point increase, after a rise of 0.4 percentage points in November, was the fifth consecutive monthly increase and brought the jobless figure close to the highest post-war figure of 9 per cent at the height of the 1974-75 recession.

The Labour Department said nearly 9.5m workers were unemployed in December, an increase of nearly 300,000 over November. Motor and construction industries, agriculture and general manufacturing were worst hit.

President Reagan was said to be "deeply sensitive" to the problem but believed he had a programme which would "result in lasting employment." The White House said the Administration continued to expect a turnaround at the end of the second or third quarter.

Mr Reagan's senior policy advisers have predicted that the unemployment rate could reach 9 per cent in 1982. But the December increase was higher than the government or most private economists had expected. Some analysts believe the figure will go as high as 10 per cent.

Mr Lane Kirkland, President of the AFL-CIO labour federation, said the nation was witnessing "a growing economic tragedy," brought on by President Reagan's economic policies. He called on the Administration and Congress to set up job creation programmes and direct the Federal Reserve Board to "release its stranglehold" on money supply.

The 8.9 per cent December figure compared with 7.4 per cent in December 1980, and included the post-war rate for adult men of 8 per cent. There was no easing in the disparity between blacks and whites, with 7.8 per cent white unemployment, 17.4 per cent for blacks and 42.2 per cent for black teenagers.

The Department said the number of those too discouraged even to look for a new job rose to 1.2m in the last quarter of 1981. The highest level since such data began to be compiled in 1970.

Weather

UK TODAY

COLD, frost, snow showers but becoming drier generally. The North, mostly dry with some sunshine; rain in the South-West.

London, E. Anglia, Midlands, S. Wales
Snow, becoming dry. Max. temp. 1C (34F).

S.E., Central S. & S.W. England, Channel
Sleet or snow. Max. temp. 0C (32F).

Glasgow, C. Highlands, Argyll, N.W. Scotland
Snow showers. Sunny or clear periods. Max. temp. -5C (23F).

Rest of England, Scotland & Wales, Lo.M., N. Ireland, Orkney, Shetland
Snow showers. Sunny or clear periods. Max. temp. 1C (34F).

Outlook: Cold. Freezing fog patches. Mostly dry, some sunshine, snow showers.

WORLDWIDE

Y day	Y day	Y day	Y day
midday	midday	midday	midday
Algeria C 15 56	Locarno S 1 34	London S 1 30	London S 1 30
Amsdam F 16 23	London S 1 30	London S 1 30	London S 1 30
Barcelona F 16 21	Luxemb. C -6 21	Luxemb. C -6 21	Luxemb. C -6 21
Beirut S 18 61	Luzon S 22 72	Luzon S 22 72	Luzon S 22 72
Belgrad S 1 39	Madrid F 7 45	Madrid F 7 45	Madrid F 7 45
Bombay S 16 23	Manila S 18 64	Manila S 18 64	Manila S 18 64
Bonn S 7 15	Malaga C 13 56	Malaga C 13 56	Malaga C 13 56
Buenos Aires S 17 63	Meira F 15 58	Meira F 15 58	Meira F 15 58
Calcutta S 16 23	Montevideo S 12 28	Montevideo S 12 28	Montevideo S 12 28
Cardiff S 10 30	Ms. C 1	Ms. C 1	Ms. C 1
Cebu S 16 61	Miami F 2	Miami F 2	Miami F 2
Colon S 16 23	Milano F 2 36	Milano F 2 36	Milano F 2 36
Dhaka S 16 23	Moscow F -2 1	Moscow F -2 1	Moscow F -2 1
Dublin S 10 30	Murcia S 18 64	Murcia S 18 64	Murcia S 18 64
Geneva S 16 23	Nairobi S 22 72	Nairobi S 22 72	Nairobi S 22 72
Hankow S 16 23	Paris F 7 45	Paris F 7 45	Paris F 7 45
Hong Kong S 16 23	Rangoon S 22 72	Rangoon S 22 72	Rangoon S 22 72
London S 16 23	Rio de Jan. S 22 72	Rio de Jan. S 22 72	Rio de Jan. S 22 72
Lyons S 16 23	Rome C 11 52	Rome C 11 52	Rome C 11 52
Manila S 16 23	Saltzbrg. C -8 18	Saltzbrg. C -8 18	Saltzbrg. C -8 18
Medan S 16 23	Seoul S 18 64	Seoul S 18 64	Seoul S 18 64
Meila S 16 23	Stockholm S -18 0	Stockholm S -18 0	Stockholm S -18 0
Montevideo S 12 28	Strasbourg C -4 25	Strasbourg C -4 25	Strasbourg C -4 25
Mumbai S 16 23	Taipei S 18 64	Taipei S 18 64	Taipei S 18 64
Nairobi S 22 72	Tel Aviv S 22 72	Tel Aviv S 22 72	Tel Aviv S 22 72
Paris F 7 45	Tenerife S 24 75	Tenerife S 24 75	Tenerife S 24 75
Rangoon S 22 72	Tokyo S 18 64	Tokyo S 18 64	Tokyo S 18 64
Rio de Jan. S 22 72	Tripoli S 22 72	Tripoli S 22 72	Tripoli S 22 72
Rome C 11 52	Vienna F -7 19	Vienna F -7 19	Vienna F -7 19
Saltzbrg. C -8 18	Yokohama S 18 64	Yokohama S 18 64	Yokohama S 18 64
Seoul S 18 64			
Stockholm S -18 0			
Strasbourg C -4 25			
Taipei S 18 64			
Tel Aviv S 22 72			
Tenerife S 24 75			
Tokyo S 18 64			
Tripoli S 22 72			
Vienna F -7 19			
Yokohama S 18 64			

THE LEX COLUMN

Why cartels are unpopular

The Stock Exchange's main argument for increasing commissions is that the capital base of the broking business has been falling in real terms. Its line of reasoning is shaky. The number of members has been increasing in recent years, and a contraction in the list of firms doing business has not brought any fall in the number of partners. Net margins before interest and partner emoluments have held remarkably steady for many years. This does not sound like a business which is making an inadequate return on capital.

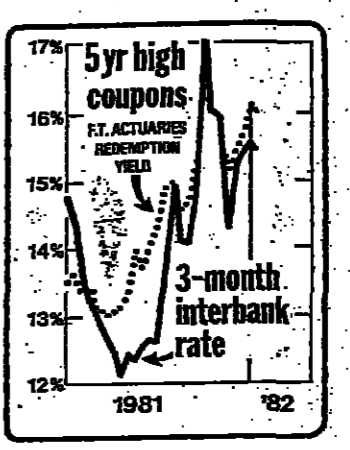
It is true that the capital base of member firms has fallen in real terms. The same has happened to most financial companies. But to say that this is a sufficient reason for putting up rates is the kind of argument that makes cartels unpopular. In a more competitive environment, partners would take less money out of the business, or think twice about the provision of expensive services — like research — which at present are paid for out of un-negotiated commission.

Competition can have a dramatic impact on commissions. For instance, to enable firms to compete more effectively for large business in the American market, the Council is proposing a 35 per cent cut in the rates on certain large bank and Small investors, who will not find it so easy to use foreign brokers, face increases of up to 34 per cent in these areas.

There is a respectable argument for maintaining a system of minimum commissions, and one which would probably be supported by most of the big institutions which on paper would have most to gain from a free-for-all. There is also a good case for changing the way the charges fall to take account of the much increased proportion of gilt edged business.

But it is quite another matter to increase the overall take by the amount that is now being proposed. In the coming weeks, private and institutional investors should be pressing for a lot more detail.

Index rose 1.9 to 531.4



appears to have the backing of all but one of the directors, who have so far hopelessly failed to agree on the rights and wrongs of Mr Dell's quarrel with Lord Kissen.

Mr Morton has been "authorised to settle Lord Kissen's future relationship with the group" and he clearly has far more chance than his predecessor of being considered dispassionate about this subject. The replacement of Mr Dell as chief executive should remove Lord Kissen's principal grievance, and Mr Morton was saying polite things yesterday about Lord Kissen's wisdom and experience. But if the dissension does not die down — and the renewal of Kissen plans for a partial bid would amount to a declaration of war — then the new regime will have to put up a united front and see him off the premises.

Shareholders in Guinness Peat will be hoping for a quieter life: the employees are probably going to see some pretty active central management. Meanwhile, Mr Morton's experience of, and enthusiasm for, energy financing suggests a promising area for expansion.

Some dramatic numbers are involved in the deal that has extricated British Aluminium from its problems at the Invergordon smelter. Figures released yesterday show that it has been able to cash in its future rights to cheap electricity for the very precise sum of £79.3m. On top of this the Government has waived loans of £31.2m — as neat a way as any of depriving newspaper headline writers of round numbers like £100m. Against this the company has had to set off £47m — which includes items such as

the cost of repairs to Hunterston "B" when someone let in sea-water by mistake and the liability for disposing of uranium waste, probably in the next century.

The actual numbers are pretty arbitrary. It seems fairly evident that a political decision was reached to let the company off the hook in reasonable financial shape. So the important figure is the residual £20m of cash with which the company emerges, of which £4.5m is owed to the local electricity board, with a similar amount likely to be required to make redundancy payments. So net debt may emerge at £50m or so, and shareholders' funds somewhere above £100m depending on the size of the write-down for Invergordon, which has yet to be finally decided.

British Aluminium will be able to buy primary metal cheaply in the present glut, but its position will be less comfortable when the cycle turns. Its share of the UK market may have attractions for a primary producer, and longer term it — which holds 55 per cent of the shares, may be thinking hard about its involvement in aluminium.

Satellite Television

City institutions are still rolling up to subscribe to nascent venture capital projects. The latest example is Satellite Television, which expects to be beaming English language programmes around Europe for the spring. Eight industrial companies and 18 institutions have put up £4m in loan stocks with the intention of subscribing a further £5m later. Not bad for a company with fixed assets of £850.

By comparison with Nimrod or Airship Industries, SATV could move quickly into profit. It believes that the break-even level of between 1m and 1.5m receivers can be reached in two years or less. To achieve that target, it needs government licences in several European countries and a replacement for its existing satellite, which drops out of the sky at the end of 1983. Revenue will be derived principally from the sale of advertising.

Interest may be paid on the straight loan stock of SATV makes a significant profit but the convertible, which counts for the bulk of the initial fund raising, carries an interest and cannot be exchanged for equity for five years. Yet this has been little deterrent to cash generating shareholders like Labrooke and D.C. Thomson, recently seen as investors in Central Television.

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